

# U.S. DEPARTMENT OF ENERGY

## FY 2006 STRATEGIC PLAN FOR SMALL BUSINESS



*"Securing Our Economic Freedom –  
Empowering Small Business"*

Prepared by  
Office of Economic Impact and Diversity  
Office of Small and Disadvantaged Business Utilization

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## I. Mission

The Department of Energy's (DOE) overarching mission is to advance the national, economic and energy security of the United States; to promote scientific and technological innovation in support of that mission; and to ensure the environmental cleanup of the national nuclear weapons complex. DOE executes much of its mission through contracts with the private sector. The mission of the Office of Small and Disadvantaged Business Utilization (OSDBU) is to serve as the agency's focal point for small and small disadvantaged businesses interested in contracting with DOE.

## II. Departmental Business/Procurement Model

DOE's business/procurement model includes two distinct types of contracts; Facility Management Contracts (FMC) and non-FMC that impact small business. The information below is based on the latest available data (FY 2004).

### **A) Facility Management Contracts, which include management and operating contracts (M&Os), management and integration contracts, and environmental restoration management contracts.**

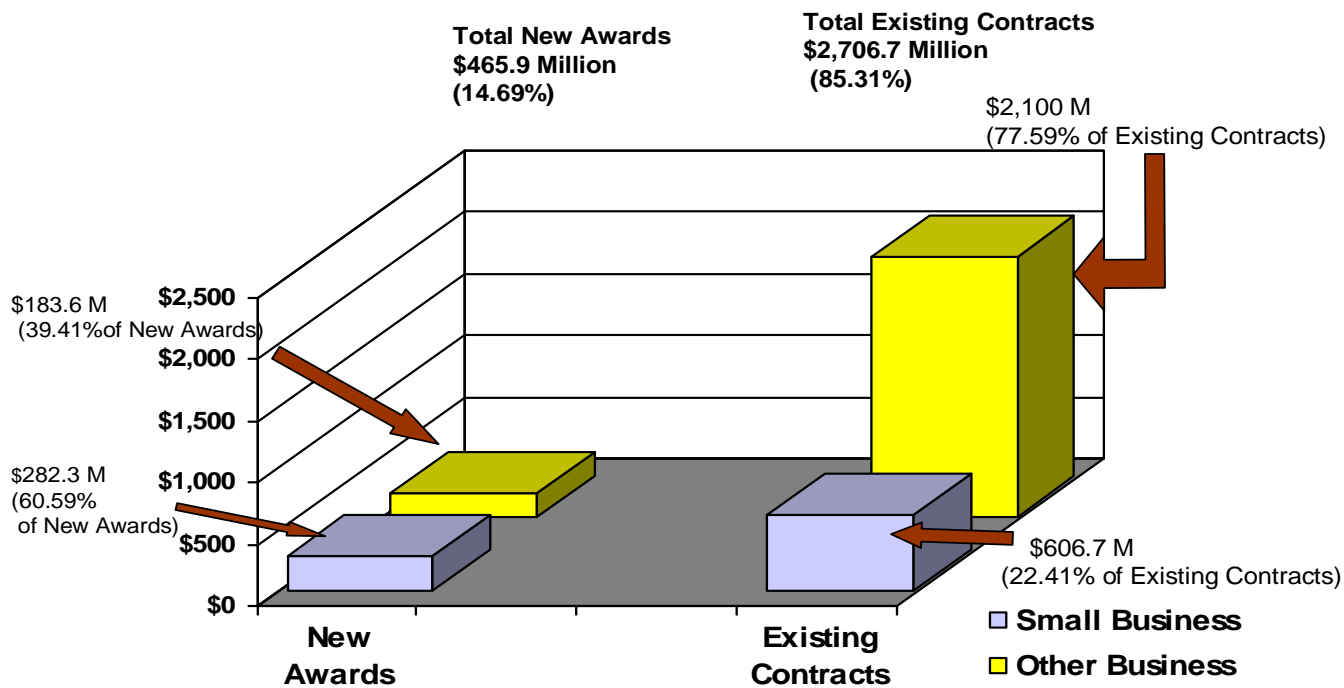
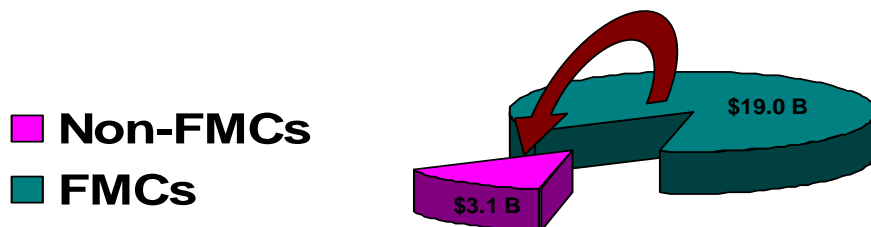
These FMCs represent very large, long-term, complex and technical projects and are generally awarded to large businesses, non-profit organizations, and academic institutions. Of the total procurement base of \$22.1 billion in FY 2004, FMCs received \$19.0 billion, or 85.9 percent.

### **B) Non-FMC contracts which represent all other procurement awards and grants.**

A substantial portion of the non-FMC contract awards are also quite large and complex and include both existing and new contracts. Of the total procurement base of \$22.1 billion in FY 2004, non-FMC contracts received \$3.1 billion, or 14.1%. Of the \$3.1 billion just at \$2.7 million was obligated to existing contracts and \$606.7 thousand (or 22.4%) was awarded to small business. Another \$465.9 million was awarded in new contracts of which \$183.6 (or 39.4%) was awarded to small business. This category represents the area most likely for small business prime contracting.

(See following chart)

## Non-FMCs \$3.1 Billion



(\$\$\$ are in Millions)

### III. Statutory Authorization and Legislative/GAO Directives

The small business program at DOE is administered by the Office of Small and Disadvantaged Business Utilization (OSDBU), pursuant to statutory authority provided in U.S.C. 15, Chapter 14A, SEC 644 (k) (1-10). The program is headed by a Director, who is responsible to, and reports directly to, the Secretary of Energy or his Deputy and is responsible for carrying out Sections 8 & 15 of the Small Business Act.

The OSDBU administers the Department's small business program by establishing goals, promulgating policy, and developing practices and programs to encourage and increase small business participation in departmental procurement opportunities and by tracking and reporting all small business accomplishments. Additionally, the OSDBU is tasked with reviewing solicitations for the bundling of contract requirements and to facilitate small business subcontract participation if a solicitation for a bundled contract that is issued.

The Energy and Water Committee's Conference Report on H.R. 4818, Consolidated Appropriation Act of 2005, has directed the Department to refrain from using appropriated funds for procurement actions resulting from the breakout of requirements from current facility management and operating contracts unless (*consistent with the requirements of Subpart 19.4 of the Federal Acquisition Regulation*) the Secretary of Energy or his duly authorized designee formally requests, considers, and renders an appropriate decision on the views of the Small Business Administration (SBA) Breakout Procurement Center Representative (PCR) or the Representative's duly authorized designee concerning cost effectiveness, mission performance, security, safety, small business participation, and other legitimate acquisition objectives of procurement actions at issue. There has been no breakout of requirements from FMCs and no actions relating to this Act taken to date.

Public Law 109-13, the "Emergency Supplemental Appropriations Act of Defense, the Global War on Terror, and Tsunami Relief, 2005." Section 6022, has required the Department and the SBA to: 1) enter into a Memorandum of Understanding (MOU) setting forth an appropriate methodology for measuring the achievement of DOE with respect to awarding contracts to small businesses, and 2) conduct a joint study to examine the feasibility of possible changes to management and operating contracts and other management contracts within the DOE to encourage new opportunities for small businesses to increase their role as prime contractors. The study is underway and the MOU was finalized on September 30, 2005. (Exhibit A)

The GAO-05-459 report "Improved Oversight Could Better Ensure Opportunities for Small Business Subcontracting" issued in May of 2005 has directed that the Secretary of Energy 1) direct the appropriate officials responsible for DOE's Small Business Office and procurement organizations to ensure, through regular oversight and review activities, that FMCs comply with DOE's March 2005 guidance on small business procurement goals; 2) direct the appropriate officials responsible for the DOE's Small Business Office and procurement organizations to use, for internal management purposes, data on FMC's annual small business subcontracting achievements calculated as a percentage of the obligated dollars FMCs received that year on their contract with DOE and 3) take steps to

strengthen oversight of the program including issuing guidance clarifying roles, responsibilities and necessary interactions among DOE small business office, program office and procurement officials responsible for managing the small business subcontracting program.

#### **IV. Setting and Measuring Small Business Goals**

##### **A) Government-wide Small Business Goals**

Under statutory authority, the President establishes Government-wide goals for procurement contracts awarded to small business as listed below and further provides that each agency shall have an annual goal that presents, for that agency, the maximum practicable opportunity for small business concerns.

- 23 percent of prime contracts for small businesses;
- 5 percent of prime and subcontracts for small disadvantaged ;
- 5 percent of prime and subcontracts for women-owned small businesses;
- 3 percent of prime contracts for Historically Underutilized Business (HUB) Zone businesses; and
- 3 percent of prime for service-disabled veteran-owned small businesses.

##### **B) DOE Small Business Goals/Achievements**

###### **Prime Contracts:**

The process for establishing prime contract goals for DOE will begin with an annual survey of all departmental elements. The results of the survey will be reviewed against historical achievements and submitted to the Deputy Secretary for his review and approval. Once those goals are approved, the goals will be submitted to the SBA pursuant to the annual request for goals.

Since FY 2000, after the SBA and the Office of Federal Procurement Policy (OFPP) determined that DOE could no longer count its subcontracts as prime contracts towards its annual small business achievements, SBA has agreed to single digit goals for DOE.

In FY 2000, the Small Business Administration (SBA) issued a “challenge goal” of five percent to DOE—well below the 23 percent federally mandated department-wide goal. DOE achieved \$500.3 million, or 2.96% in prime contracting with small businesses in FY 2000.

In FY 2001 the 5% “challenge goal” issued by SBA remained in place. DOE reported \$538.3 million in achievements or 2.89%.

For FY 2002 and FY 2003, DOE negotiated a 3.7 percent goal with the SBA.

Achievements were \$591.3 million or 3.11% in FY 2002 and \$859.4 million or 4.08% in FY 2003.

In FY 2004, the SBA assigned a 23 percent goal to all federal departments, including DOE. Subsequently, DOE submitted its proposed goals for FY 2004 and FY 2005. The final goals negotiated with SBA were 5.06% in FY 2004 and 5.5% in FY 2005. In FY 2004 DOE achieved \$902.9 or 4.09% in prime contracting with small businesses. Small business achievement preliminary data taken from the FPDS-NG for FY 2005 indicates that DOE has achieved \$853.8 million or 4.14%. (*Exhibit B- DOE achievement for fiscal years 2000 through 2004*)

For FY 2006, DOE is proposing a small business goal of 4.34 % based on a summary of all departmental elements goals (*Exhibit C*).

### **Subcontracts:**

The process for establishing the subcontract goals for DOE will begin with an annual survey of all prime contractors. The results of the survey will be reviewed against the historical achievements and a recommendation made to the Deputy Secretary for acceptance of the goals. Once those goals are approved, the goals will be submitted to the SBA pursuant to the annual request for goals. For FY 2006, the summary of the prime contractors proposed subcontract goals totals 42.08% (*See Exhibit D*)

Since FY 2000, after the SBA and the OFPP determined that DOE could no longer count its subcontracts as prime contracts towards its annual small business achievements, the total amount of subcontracts reported by prime contractors has increased from the millions to billions of dollars and has averaged between 48.7% in FY 2000 to 48.1% in FY 2003 (the last available subcontract data).

### **MOU requirements:**

Under the terms of the MOU entered into between DOE and the SBA the following methodologies will be used for establishing goals and measuring small business achievements:

- (a) Section 644(g) of the Small Business Act, which requires each Executive branch agency to jointly establish realistic small business goals.
- (b) Section 637(d) of the Small Business Act, which requires each agency to ensure that goals offered by the apparently successful contractor are attainable in relation to the subcontracting opportunities available to the contract, commensurate with the efficient and economical performance of the contract.
- (c) OFPP Administrator's letter dated November 3, 1999.
- (d) OFPP Policy Letter 99-1 and SBA's "Goaling Guidelines for the Small Business Preference Programs," dated July 3, 2003.
- (e) The method of counting the achievement of small business prime contracts will be the percentage that the obligations to small businesses in a given fiscal year are to the total obligations in the same given fiscal year.

- (f) The method of counting the achievement of the DOE in its subcontract awards to small businesses by DOE prime contractors will be the percentage of obligations to small business subcontractors in a given fiscal year against the total subcontracting obligations by prime contractors.
- (g) In addition, in order to demonstrate the total impact of DOE's small business achievement, the method of counting the achievement of DOE in the award of total contract obligations to small business may also be measured by the percentage total prime and subcontracts to small business against the total obligations.

The net result of the MOU is that DOE and SBA will continue to count prime and subcontracts as is currently being counted. However, the Department and SBA further agreed to meet periodically to consider, explore, and resolve issues regarding the MOU and its methodologies, as well as cooperate in establishing realistic and challenging goals, and advancing the objectives of the Small Business Act.

## **V. Departmental Objectives**

The OSDBU, as the office responsible for implementation of the Department's small business program, will work closely with the Small Business Administration, the DOE Office of Procurement and DOE program offices to implement the objectives outlined below in order to reach the Department's small business goals.

### **A. Periodically meet with the SBA to discuss the Departments small business goals.**

The Director of the OSDBU will meet periodically with the Associate Administrator, Office of Government Contracting and Business Development at the SBA, to follow up on the MOU and to establish realistic and challenging goals and, in general, advance the objectives of the Small Business Act.

### **B. Establish and track small business goals and achievements.**

#### **Prime Contracting:**

A workshop will be conducted each year to review and explain the prime contract goaling process using the SBA's guide entitled: "Goaling Guidelines for Small Business Preference Programs". Goals will be requested of each program office and these goals reviewed against prior goals/achievements. The departmental goals will be submitted to the Deputy Secretary for his review/approval and then submitted to SBA for their review and concurrence.

Small Business achievements will be captured and reported on a quarterly basis. The "Standard Accounting and Reporting System" (STARS) will track and report the prime contracting achievements by office and the FPDS-NG will track and report prime contracting achievements by departmental totals.



**Subcontracting:**

Beginning with Fiscal Year 2006, all FMC prime contractors will be asked to submit subcontracting goals annually. Non-FMCs will not be required to submit annual subcontract goals. All prime contractors (except for small business primes) with awards exceeding \$500 thousand (or \$1million if construction) will be required to submit a subcontracting plan and to include subcontracting goals in that plan that reflect the maximum practicable level of achievement. The small business program managers will work with the Contracting Officer to establish goals and when proposed goals do not fall within the DOE established goals, the OSDBU will be contacted for its review/concurrence. (AL 2005-08 Exhibit E)

All contractors with subcontracting plans will be required to report small business obligations through the eSRS system.

**C. Publish and maintain a Department-wide procurement forecast.**

The OSDBU has developed a “Forecast of Contracting Opportunities” whereby all DOE offices and/or contractors with contracting opportunities will be required to input information on contracting opportunities over \$100,000 (for both prime and subcontract opportunities) that may be available for small business participation. The forecast will be updated bi-annually in the spring and fall pursuant to P.L. 100-656 and available at: [www.smallbusiness.doe.gov/contract](http://www.smallbusiness.doe.gov/contract).

**D. Review all acquisition requests over \$3 million not set aside for small business.**

The OSDBU will review all requests over \$3 million (including expiring FMC contracts) for their potential for small business set aside and to make recommendations as to whether portions of the proposed acquisition might be “broken out” for small business.

**E. Hold (monthly or as needed) meetings with the “Advanced Acquisition Planning Team” (AAPT) comprised of representatives of the Office of Procurement, the OSDBU, the PCR, and the element/field office.**

The AAPT will meet to review proposed acquisition strategies for small business participation and to review/amend policies and procedures that affect small business.

**F. Conduct small business outreach activities and provide technical assistance to small businesses and internal DOE staff.**

- Update the Small Business Outreach/Marketing Plan.
- Update the OSDBU Small Business website.
- Advertise in small business publications.
- Conduct press conferences at events.
- Conduct radio/television presentations
- Provide news articles to trade publications and newspapers.

- Participate in small business conferences and workshops.
- Conduct annual DOE National Small Business Conference.
- Expand “Small Business Advisory Team” to assist with marketing.
- Provide ‘hands on’ technical assistance to small businesses.
- Conduct “in-reach” training with DOE program and contract staff.
- Host semi-annual Small Business Program Managers (SBPM) meetings.
- Maintain on-going communications with the HQ and Field Directors.
- Update the SBPM resource “desk manual”.

#### **G. Assist in developing Implementation Plans.**

Development of such plans will be conducted for “breakout” work when such effort is proposed from an M&O contract by departmental offices.

#### **H. Conduct subcontract reviews of M&O Prime Contractors.**

This review will consider compliance with subcontract plans and validation of subcontract reports as directed by the GAO Report 05-459. This effort may be coordinated with the SBA pursuant to 13 CFR 125 – Small Business Government Contracting Programs.

#### **I. DOE Mentor-Protégé Program.**

The Mentor-Protégé Program will encourage DOE prime contractors to work with small and socioeconomic firms to develop the capabilities of these firms to perform on DOE Contracts; especially complex high-tech work.

Updated program objectives include:

- Working with mentor-protégé teams to assist with the inclusion of measurable goals in the mentoring experiences;
- Analyzing the mentor-protégé experiences for their impact on the small business.
- Identifying more prime contractors willing to mentor.

#### **J. SBA Mentor-Protégé Program.**

DOE will utilize the SBA Mentor-Protégé Program to promote the establishment of relationships and joint ventures between small business and large business in order to develop a database of firms ready and able to bid/propose on DOE contracts.

#### **K. OSDBU Small Business Database.**

The database will be accessible to only DOE program offices and procurement staffers. Small business profiles in this database are downloaded from the CCR and reflect small business firms that have expressed an interest in working with DOE.

**L. Prepare Small Business Annual Report to the DOE Secretary and the SBA Administrator.**

The annual report will be provided to assess the extent to which small businesses are receiving a fair share of Federal Procurements, the adequacy of contract bundling documentation and the justifications and actions taken to mitigate the effect of necessary and justified contract bundling on small business.

**VI. Small Business Socio-Economic Programs**

In addition to establishing overall small business goals and programs for small businesses, the law requires that there be goals and programs to promote opportunities with various socioeconomic business groups. The Department has included separate sections for each socioeconomic group in the Strategic Plan to describe the efforts that DOE will take to ensure the establishment and achievement of small business goals in the below listed areas. Each socioeconomic group will have a point of contact at the OSDDBU assigned to work with that group in doing business with DOE.

- A) 8(a) Business Development Program
- B) Small Disadvantaged Business Program
- C) Women-Owned Business Program
- D) Historically Underutilized Business (HUB)Zone Program
- E) Service Disabled Veteran-Owned Business Program

**DOE's 8 (a) Small Business Development Program*****VI. A) 8(a) Business Development Program*****Background:**

The 8(a) Business Development (BD) program was established by section 8(a) of the Small Business Act, 15 U.S.C. § 637(a). The purpose of the 8(a) BD program is to assist eligible small disadvantaged business concerns compete in the American economy through business development. The Act authorizes SBA to enter into all types of contracts with other agencies and reserve up to a value of \$3 million (\$5 million for manufacturing) in contracts non-competitively to 8(a) certified firms. If a procurement is valued in excess of \$3 million (\$5 million for manufacturing) and two or more capable 8(a) firms can be so identified, the procurement shall be set aside for competition among 8(a) firms (see FAR 19.805-1(a)(2)).

**Agency Strategy:**

The below actions will be taken to provide opportunities for 8(a) certified businesses to significantly increase their contracting and subcontracting with the Department of Energy.

- Develop and promote a DOE/8(a) business policy that addresses both prime and subcontracting.
- Expand the current customized DOE small business database to incorporate and identify 8(a) businesses for use by program offices, procurement officers and prime contractors proposing acquisitions. (<https://hqlnc.doe.gov/Contacts>).
- Promote the utilization of the OSDBU database of small businesses.
- Promote and advise small businesses to utilize the Central Contractor Registration, website at <http://www.ccr.gov>.
- Incorporate 8(a) business achievements in the Secretarial Small Business Awards program.
- Include 8(a) business organization(s) as a part of DOE SB Advisory Team.
- Include an 8(a) business component in the Annual DOE Small Business Conference.
- Participate in conferences primarily dedicated to reaching 8(a) businesses.
- Designate an OSDBU staffer as the Point of Contact for the program.

**Prime Contracting:**

- a) Incorporate 8(a) business goals as part of the Department's overall SB prime contracting goals negotiated with the U.S. Small Business Administration (SBA) and in all achievement reports prepared by DOE.
- b) Incorporate achievements of 8(a) business goals as a performance element

in the annual evaluation plan of the officials who influence the acquisition process.

- c) Develop justification(s) for 8(a) business sole source acquisition, as appropriate.
- d) Identify projects that could/should be set aside for participation by 8(a) firms.
- e) Include a prime contractor's past performance in contracting with 8(a) businesses as an evaluation factor in solicitations.

Subcontracting:

- a) Incorporate 8(a) business goals as part of the Department's overall SB subcontracting goals negotiated with the SBA.
- b) Provide all DOE prime contractors with the 8(a) subcontracting goals negotiated with SBA and require that these goals be included in all subcontracting plans.
- c) Continue to promote the 8(a) pilot program permitting prime contractors to sole source to an 8(a) business subcontractor.
- d) Encourage prime contractors to utilize 8(a) business concerns when subcontracting.
- e) Incentivize Mentor-protégé relationships with 8(a) business concerns

Education, Training and Outreach:

- a) Ensure all program element heads, acquisition personnel (including contracting officers) and small business managers are aware of the 8(a) business laws and regulations through the DOE Acquisition Letters, Flash announcements and other communications.
- b) Require departmental contracting personnel to successfully complete courses pertaining to small business contracting.
- c) Inform small businesses of available resources such as the SBDCs and PTACs so that they may avail themselves of needed technical assistance to assist them in getting certified by the SBA, as 8(a) or HUBZone or in getting on the General Services Administration (GSA) federal supply schedules.
- d) Meet with the SBA and 8(a) or small business associations on a quarterly basis to discuss progress on the utilization of 8(a) business concerns.

**DOE's Small Disadvantaged Business Program***VI. B) Small Disadvantaged Business Program*

There is no statutory authority for setting aside federal procurements for competition only among small disadvantaged businesses (SDBs). Nevertheless, DOE makes every effort to identify and advise small disadvantaged business owners of contracting and subcontracting opportunities with DOE and its major prime contractors. DOE, along with the SBA, is working to increase opportunities for non-8(a) small disadvantaged businesses.

To be eligible to receive a benefit as a prime contractor based on its disadvantaged status, a SDB must either be certified as a SDB concern or have a completed SDB application pending at the SBA or other certifier, in accordance with FAR, 19.304. SDBs are eligible to bid or propose on Small Business Set-asides and, if eligible, may be certified as an 8(a) or HUBZone firm.

**Agency Strategy:**

The below actions will be taken to provide opportunities for SDBs to significantly increase their contracting and subcontracting opportunities with the Department of Energy:

- Develop and promote a DOE/SDB policy that addresses both prime and subcontracting.
- Expand the current customized DOE small business database to incorporate and identify SDBs for use by program offices, procurement officers and prime contractors proposing acquisitions. (<https://hqlnc.doe.gov/Contacts>).
- Incorporate SDB achievements in the Secretarial Small Business Awards program.
- Include SDB organization(s) as a part of DOE SB Advisory Team.
- Include a SDB component in the Annual DOE Small Business Conference.
- Participate in conferences primarily dedicated to reaching SDB firms.
- Designate an OSDBU staffer as the Point of Contact for the program.

**Prime Contracting:**

- a) Incorporate SDB goals as part of the Department's overall SB prime contracting goals negotiated with the U.S. Small Business Administration (SBA) and in all achievement reports prepared by DOE.
- b) Incorporate achievements of SDB goals as a performance element in the annual evaluation plan of the officials who influence the acquisition process.
- c) Include a prime contractor's past performance in contracting with SDB's as an evaluation factor in solicitations.

Subcontracting:

- a) Incorporate SDB goals as part of the Department's overall SB subcontracting goals negotiated with the SBA.
- b) Provide all DOE prime contractors with the SDB subcontracting goals negotiated with SBA and require that these goals be included in all subcontracting plans.
- c) Encourage prime contractors to utilize SDBs when subcontracting.
- d) Incentivize Mentor-protégé relationships with SDB concerns.

Education, Training and Outreach:

- a) Ensure all program element heads, acquisition personnel (including contracting officers) and small business managers are aware of the SDB laws and regulations through the DOE Acquisition Letters, Flash announcements and other communications.
- b) Require departmental contracting personnel to successfully complete courses pertaining to small business contracting.
- c) Inform small businesses of available resources such as the SBDCs and PTACs so that they may avail themselves of needed technical assistance to assist them in getting certified by the SBA, as 8(a), SDB or HUBZone or in getting on the General Services Administration (GSA) federal supply schedules.
- d) Meet with the SBA and SDB associations on a quarterly basis to discuss progress on the utilization of SDB concerns.

## **DOE's Women-Owned Small Business Program**

### *VI. C Women-Owned Business Program*

#### Background:

Although no set-aside authority exists, DOE makes every effort to identify and advise women business owners (WOBs) of contracting opportunities and to encourage their participation in DOE procurements. DOE and the U.S. Small Business Administration (SBA), are working together to help level the playing field for women entrepreneurs.

#### Agency Strategy:

The below actions will be taken to provide opportunities for women-owned firms to significantly increase their contracting and subcontracting opportunities with DOE.

- Develop and promote a DOE/WOB policy that addresses both prime and subcontracting.
- Expand the current customized DOE small business database to incorporate and identify WOBs for use by program offices, procurement officers and prime contractors proposing acquisitions. (<https://hqinc.doe.gov/Contacts>).
- Promote the utilization of the OSDBU database of small businesses and the Central Contractor Registration website at: <http://www.ccr.gov>, and Women's Business Associations, some of which are located at the SBA website: <http://www.sba.gov> in conducting market research to identify WOBs.
- Incorporate WOB achievements in the Secretarial Small Business Awards program.
- Include WOB organization(s) as a part of DOE SB Advisory Team.
- Include a WOB component in the Annual DOE Small Business Conference.
- Participate in conferences primarily dedicated to reaching WOB firms.
- Designate an OSDBU staffer as the Point of Contact for the program.

#### Prime Contracting:

- a) Incorporate WOB goals as part of the Department's overall SB prime contracting goals negotiated with the SBA and in all achievement reports prepared by DOE.
- b) Incorporate achievements of WOB goals as a performance element in the annual evaluation plan of the officials in the acquisition process.
- c) Include a prime contractor's past performance in contracting with women-owned businesses as an evaluation factor in solicitations.



Subcontracting:

- a) Incorporate WOB goals as part of the Department's overall SB subcontracting goals negotiated with the SBA.
- b) Provide all DOE prime contractors with the WOB subcontracting goals negotiated with SBA and require that these goals be included in all subcontracting plans.
- c) Encourage prime contractors to utilize WOB concerns when subcontracting.
- d) Encourage facility management contractors to provide for an evaluation criterion that reflects a preference in the award of subcontracts to WOBs.
- e) Incentivize Mentor-protégé relationships with WOB concerns.

Education, Training and Outreach:

- a) Ensure all program element heads, acquisition personnel (including contracting officers) and small business managers are aware of the WOB laws and regulations through the DOE Acquisition Letters, Flash announcements and other communications.
- b) Require departmental contracting personnel to successfully complete courses pertaining to small business contracting.
- c) Inform WOB concerns of available resources such as the SBDCs and PTACs so that they may avail themselves of needed technical assistance to assist them in obtaining services provided by the SBA, or in getting on the General Services Administration (GSA) federal supply schedules.
- d) Meet with the SBA and Women's business associations on a quarterly basis to discuss progress on the utilization of WOB concerns.

**DOE's Historically Underutilized Business Zone Small Business Program***VI. D) Historically Underutilized Business (HUB) Zone Program*

The HUBZone Empowerment Contracting Program was enacted into law as part of the Small Business Reauthorization Act of 1997. The program falls under the auspices of the SBA which regulates and implements the program and:

- Determines which businesses are eligible to receive HUBZone contracts.
- Maintains a listing of qualified HUBZone small businesses that Federal agencies can use to locate vendors.
- Adjudicates protests of eligibility to receive HUBZone contracts.
- Reports to the Congress on the program's impact on employment and investment in HUBZone areas.

If there is a reasonable expectation that proposals will be received from two or more small businesses certified by the SBA as HUBZone concerns and the award would be made at a fair market price, FAR 19.1305(b) requires that the award be set aside for HUBZone small business concerns. Contracting Officers may award contracts to HUBZone small business concerns on a sole source basis without considering small business set-asides provided the acquisition meets the requirements of FAR 19.1306(a).

**Agency Strategy:**

The below actions will be taken to provide opportunities for HUBZone businesses to significantly increase their contracting and subcontracting opportunities with DOE.

- Develop and promote a DOE/HUBZone policy that addresses both prime and subcontracting.
- Expand the current customized DOE small business database to incorporate and identify HUBZone firms for use by program offices, procurement officers and prime contractors proposing acquisitions. (<https://hqinc.doe.gov/Contacts>).
- Promote the utilization of the OSDBU database of small businesses and the Central Contractor Registration website at: <http://www.ccr.gov>, and associations that encourage government contracting of HUBZone firms, and in conducting market research to identify HUBZone firms.
- Incorporate HUBZone achievements in the Secretarial Small Business Awards program.
- Include HUBzone organization(s) as a part of DOE SB Advisory Team.
- Include a HUBZone component in the Annual DOE Small Business Conference.
- Participate in conferences primarily dedicated to reaching HUBZone firms.
- Designate an OSDBU staffer as the Point of Contact for the program.

Prime Contracting:

- a) Incorporate HUBZone goals as part of the Department's overall SB prime contracting goals negotiated with the SBA and in all achievement reports prepared by DOE.
- b) Incorporate achievements of HUBZone goals as a performance element in the annual evaluation plan of the officials who influence the acquisition process.
- c) Develop justification(s) for HUBZone sole source acquisition, as appropriate.
- d) Identify projects that could/should be set aside for participation by HUBZone firms.
- e) Include a prime contractor's past performance in contracting with HUBZone firms as an evaluation factor in solicitations.

Subcontracting:

- a) Incorporate HUBZone goals as part of the Department's overall SB subcontracting goals negotiated with the SBA.
- b) Provide all DOE prime contractors with the HUBZone subcontracting goals negotiated with SBA and require that these goals be included in all subcontracting plans.
- c) Conduct a pilot program permitting prime contractors to sole source to a HUBZone subcontractor.
- d) Encourage prime contractors to utilize HUBZone concerns when subcontracting.
- e) Encourage facility management contractors to use HUBZone set-aside and sole source procurement techniques under conditions similar to federal prime contracts.
- f) Incentivize Mentor-protégé relationships with HUBZone concerns.

Education, Training and Outreach:

- a) Ensure all program element heads, acquisition personnel (including contracting officers) and small business managers are aware of the HUBZone laws and regulations through the DOE Acquisition Letters, Flash announcements and other communications.
- b) Require departmental contracting personnel to successfully complete courses pertaining to small business contracting.

- c) Inform HUBZone concerns of available resources such as the SBDCs and PTACs so that they may avail themselves of needed technical assistance to assist them in getting certified by the SBA, as 8(a) or HUBZone or in getting on the General Services Administration (GSA) federal supply schedules.
- d) Meet with the SBA and associations involving HUBZone small businesses on a quarterly basis to discuss progress on the utilization of HUBZone concerns.

**DOE's Service Disabled Veteran Owned Small Business Program***VI. E) Service Disabled Veteran-Owned Business Program*Background:

On October 20, 2004, President George W. Bush signed Executive Order 13360 designed to strengthen opportunities in Federal contracting for service-disabled veteran businesses (SDVB). Pursuant to such Executive Order, the U.S. Department of Energy has designated the Director of the Office of Small and Disadvantaged Business Utilization to develop and implement the Department's Strategic Plan.

The DOE FY 2005 Strategic Plan provided a strategy for increasing contracting and subcontracting opportunities with Service Disabled Veteran- Businesses (SDVBs). This strategy was reviewed by the SBA and some of the steps in the strategy were included as best practices on the SBA website. SBA provided DOE with some recommendations to strengthen its Strategic Plan for SDVBs and these recommendations have been added to this year's strategy.

Agency Strategy:

The below actions will be taken to provide opportunities for service-disabled veteran businesses to significantly increase their contracting and subcontracting with the Department of Energy:

- Update the DOE/SDVB policy that addresses both prime and subcontracting.
- Expand the current customized DOE small business database to incorporate and identify SDVBs for use by program offices, procurement officers and prime contractors proposing acquisitions. (<https://hqlnc.doe.gov/Contacts>).
- Promote the utilization of the Department of Veteran Affairs' (VA) website at <http://VIP.vetbiz.gov/search/default.asp> and the Association of Service Disabled Veterans' (ASDV) website at <http://www.asdv.org> in conducting market research to identify SDVBs.
- Incorporate SDVB achievements in the Secretarial Small Business Awards program.
- Include SDVB organization(s) as a part of DOE SB Advisory Team.
- Include a SDVB component in the Annual DOE Small Business Conference.
- Participate in conferences primarily dedicated to reaching SDVB firms.
- Designate an OSDBU staffer as the Point of Contact for the program.

Prime Contracting:

- a) Incorporate SDVB goals as part of the Department's overall SB prime contracting goals negotiated with the U.S. Small Business Administration (SBA) and in all achievement reports prepared by DOE.

- b) Incorporate achievements of SDVB goals as a performance element in the annual evaluation plan of the officials who influence the acquisition process.
- c) Develop justification(s) for SDVB sole source acquisition, as appropriate.
- d) Include a prime contractor's past performance in contracting with SDVBs as an evaluation factor in solicitations.

Subcontracting:

- a) Incorporate SDVB goals as part of the Department's overall SB subcontracting goals negotiated with the SBA.
- b) Provide all DOE prime contractors with the DOE subcontracting goals negotiated with SBA and require that these goals be included in all subcontracting plans.
- c) Establish an SDVB pilot program permitting prime contractors to sole source to an SDVB as a subcontractor.
- d) Encourage prime contractors to utilize SDVB concerns when subcontracting.
- e) Encourage Mentor-protégé relationships with SDVB concerns.

Education, Training and Outreach:

- a) Ensure all program element heads, acquisition personnel (including contracting officers) and small business managers are aware of the SDVB laws and regulations through the DOE Acquisition Letters, Flash announcements and other communications.
- b) Require all departmental contracting personnel to successfully complete, as needed, the SDVB utilization on-line course provided by the Defense Acquisition University (DAU).
- c) Provide SDVB concerns with technical assistance to assist them in getting certified by the SBA, as 8(a) or HUBZone or in getting on the General Services Administration (GSA) federal supply schedules.
- d) Meet with the SBA and Association of Service Disabled Veterans on a quarterly basis to discuss progress on the utilization of SDVB concerns.

\*\*\*\*\* THE END\*\*\*\*\*

## **EXHIBITS**

- A. SBA/DOE Memorandum of Understanding (MOU)**
- B. FY 2000-2004 SB Achievements**
- C. FY 2006 Proposed Departmental Prime Contracting Goals**
- D. FY 2006 Proposed Preliminary M&O Subcontracting Goals**
- E. Acquisition Letter 2005-08**

**SBA/DOE**  
**Memorandum of Understanding**  
(Exhibit A)



**MEMORANDUM OF UNDERSTANDING****BETWEEN****THE U.S. DEPARTMENT OF ENERGY****AND****THE U.S. SMALL BUSINESS ADMINISTRATION****I. Preamble**

This Memorandum of Understanding (MOU) between the U.S. Department of Energy (DOE or Department) and the U.S. Small Business Administration (SBA) sets forth the methodology for measuring the achievement of the DOE with respect to awarding contracts to small businesses.

**II. Purpose**

- (a) This MOU implements section 6022(a) of Title VI of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005, Pub.L. No. 109-13.
- (b) Section 6022(a) provides that DOE and SBA shall, not later than September 30, 2005, enter into a Memorandum of Understanding setting forth an appropriate methodology for measuring the achievement of DOE with respect to contract awards to small businesses.
- (c) Section 6022(b) provides that such methodology shall, at a minimum include a method of counting DOE's achievements in awards of prime contracts and subcontracts to small businesses awarded by DOE management and operating, management and integration, and other facility management prime contractors, as well as uniform criteria that could be used by prime contractors when measuring the value and number of subcontracts awarded to small businesses.

**III. Background**

- (a) The Small Business Act, 15 USC §631, as amended, provides as a matter of law that the Government should ensure that a fair proportion of the total purchases and contracts or subcontracts for property and services for the Government be placed with small business enterprises.
- (b) In 1988, the Business Development Reform Act, Pub.L. No. 100-656, amended the Small Business Act to require the President to annually establish Government-wide procurement goals for small businesses and small disadvantaged businesses. The President's small business goal could not be less

than 20% of the value of all prime contracts, while the small and disadvantaged goal could not be less than 5%. Additionally, each Federal agency was charged with establishing jointly with the SBA specific goals consistent with each agency's mission. The goals were required to realistically reflect the potential of small business concerns to perform the agency's contracts. In the event that an agency and SBA were unable to agree on such goals, the Administrator, Office of Federal Procurement Policy (OFPP), was required to make a final determination of the goal to be established.

- (c) On November 2, 1990, the SBA Administrator referred to the OFPP Administrator disagreements on goaling with three Federal agencies: the Department of Defense (DOD), the National Aeronautics and Space Administration (NASA), and DOE.
- (d) On March 5, 1991, the OFPP Administrator issued a final determination resolving each of the disagreements. His determination provided specific goals for each of the agencies. DOD and NASA's goals were determined based on their historical small business contracting achievement. With respect to DOE, the OFPP Administrator established the agency's small business goal at 20.1%, a significantly higher level than that originally proposed by SBA (3.7%), and far in excess of DOE's historical achievement. However, the OFPP Administrator further provided that the prime contract goals for DOE should also include the subcontracts awarded by its management and operating (M&O) contractors, in addition to its direct Federal contract obligations.
- (e) On October 7, 1999, the SBA Administrator wrote to the OFPP Administrator expressing the opinion that the M&O's subcontract awards should not be counted towards DOE's prime contract goal achievements, so that all agencies would be measured on the same basis.
- (f) On November 3, 1999, the OFPP Administrator issued a determination stating that effective in FY 2000 and thereafter, OFPP's previous direction of March 9, 1990, was rescinded.
- (g) DOE and SBA complied with the OFPP Administrator's November 1999 determination and revised both the prime contract goaling as well as the prime contract achievement methodologies of the Department. As a result, DOE's achievement changed from the 18%-20% range achieved in prior years under the 1990 OFPP policy direction, to 2.85% in FY 2000.
- (h) As a consequence of the policy change, its impact on goaling and achievements and the potential for misperception as to what these changes meant in terms of DOE's support to small business, DOE re-emphasized the importance of direct DOE prime contracting with small business and adopted a number of high-profile initiatives to increase those awards.

- (i) From FY 2000 to FY 2004, DOE increased prime contract dollar obligations to small business by \$400 million or by approximately 82%. In terms of contracts awarded, the number of contract awards (including contract awards against GSA multiple award schedules) to small business increased from 42% of the total number of prime contracts in FY 2000 to 61% in FY 2004. With respect to achieving the small business goals established with SBA, DOE obligations on small business contracts as a percentage of total prime contract obligations increased from 2.8% in FY 2000 to just over 4% in FY 2004.
- (j) The Consolidated Appropriations Act of 2005, Pub. L. No. 108-447, incorporated, among other things, the Energy and Water Development Appropriations Act, 2005, which contained two provisions affecting DOE's initiatives to increase small business participation at the prime contract level. In Section 312, the Act provides that funds otherwise available to DOE to achieve small business contracting goals could not be used for procurement actions resulting from the break-out of requirements from current M&O contracts unless the Secretary of Energy formally requests, considers, and renders an appropriate decision on the views of the SBA Breakout Procurement Center Representative (or designee) concerning the cost effectiveness, mission performance, security, safety, small business participations, and other legitimate acquisition objectives of the procurement. Section 313 of the Act prohibits the use of funds appropriated by the Act to be used by DOE to require a M&O contractor to perform contract management oversight or other contract administration functions that are inherently governmental as defined and prohibited by the Federal Acquisition Regulation.
- (k) On May 11, 2005, Congress enacted the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005, Pub.L. No.109-13, section 6022 of which directs this MOU.

#### **IV. Methodologies for Measuring Achievement**

- (a) The methodologies described herein for measuring the achievement of DOE with respect to the award of contracts and subcontracts to small business are consistent with:
  - (i) Section 644(g) of the Small Business Act, which requires that each agency of the Executive branch establish jointly with the SBA an annual goal for that agency that realistically reflects the potential of small business concerns, small business concerns owned and controlled by service-disabled veterans, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women to participate in the performance of contracts and subcontracts under such contracts let by each agency;

- (ii) Section 637(d) of the Small Business Act, which requires that each agency shall ensure that the goals offered by an apparently successful contractor are attainable in relation to the subcontracting opportunities available to the contract, commensurate with the efficient and economical performance of the contract, the pool of eligible Subcontractors available, and the actual performance of such contractors in fulfilling the subcontracting goals specified in prior subcontracting plans;
  - (iii) The most recent determination of the OFPP Administrator as contained in his letter dated November 3, 1999, and issued pursuant to the authorization provided by section 644(g) of the Small Business Act to determine goals where an agency and SBA are unable to agree; and
  - (iv) OFPP Policy Letter 99-1 and SBA's "Goaling Guidelines for the Small Business Preference Programs," dated July 3, 2003.
- (b) The method of counting the achievement of DOE in the award of prime contracts to small businesses shall be as follows:
- (i) The total dollar amount obligated during a given fiscal year against all eligible prime contracts awarded by the Department or any Federal component organization thereof, regardless of the year in which the contract was awarded, shall be determined. Eligible contracts include contract awards for supplies and services (including construction) to business concerns, non-profit organizations, educational institutions and state and local governments, except that the following are not eligible:
    - Non-appropriated Funds. Procurements with funds generated from sources such as user fees, gifts, etc. rather than appropriated funds. Examples include the U.S. Postal Service and Comptroller of the Currency.
    - Internal Transactions. Some transactions are internal to an agency and are not actually contracts such as when a military base orders supplies from the Defense Department's Supply Depot. The acquisitions of the supply depot are also not included in the goaling program because they are funded with proceeds from resales within the Department.
    - Mandatory Sources. By law, agencies must award certain contracts to "mandatory sources." Examples include commodities produced by the Federal Prison Industries (known as UNICOR) or the JWOD Participating Nonprofit Agency (formerly Sheltered Workshop).
    - Contracts for Foreign Governments or International Organizations. Example includes Foreign Military Sales that

are Government to Government transactions often funded by foreign country funds.

- Contracts Not Under FAR. As a matter of policy, goals only extend to procurements subject to the Federal Acquisition Regulation (FAR).
- Subcontracts awarded by any prime contractor.
- Other transactions as may be specified in the current or future SBA "Goaling" guideline.

(ii) The total dollar amount obligated during a given fiscal year against all eligible prime contractors awarded by the Department or any Federal component organization thereof, to small businesses concerns, small business concerns owned and controlled by veterans, small business concerns owned and controlled by service-disabled veterans, qualified HUB-Zone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, small business concerns owned and controlled by women, regardless of the year in which the contract was awarded, shall be determined.

(iii) The Department's small business achievements shall be expressed as the percentage that IV(b)(ii) represents of IV(b)(i).

(c) The method of counting the achievement of the DOE in the awards by DOE prime contractors including management and operating, management and integration, and other facility management contractors of subcontracts to small businesses shall be as follows:

- (i) The amount of dollars obligated by a prime contractor or other-than-small subcontractor (at any tier) with a subcontracting plan under the flow-down requirement against all eligible subcontracts during a given fiscal year, regardless of the year in which the subcontract was awarded. Eligible subcontracts are those agreements entered by a Government prime contractor or subcontractor calling for supplies or services required for the performance of the contract or subcontract, except that the following are not eligible:
  - a) Purchases from a corporation, company, or subdivision that is an affiliate of the prime contractor or other-than-small subcontractor filing the report;
  - b) Subcontracts that do not involve performance in the U.S. or its outlying areas;
- (ii) The amount of dollars obligated by a prime contractor or other-than-small subcontractor (at any tier) with a subcontracting plan under the flow-down requirement against all eligible subcontracts with small business concerns, small disadvantaged business concerns, veteran-

owned small businesses, service-disabled veteran owned small businesses, women-owned small business, and HUBZone small businesses concern.

- (iii) The Department's contractors' achievements shall be expressed as the percentage that IV(c)(ii) represents of IV(c)(i).

- (d) In addition to the foregoing, and in order to demonstrate the total impact of DOE's small business achievement, the method of counting the achievement of DOE in the award of total contract obligations to small business may also be as follows: the percentage that the sum of IV(b)(ii) and IV(c)(ii) represents of IV(b)(i).

**V. Cooperation**

- (a) DOE and SBA agree to meet periodically to consider, explore, and resolve issues regarding this MOU and its methodologies, including consideration and adoption of necessary updates and other modifications to the MOU, and any necessary regulatory or contractual directions, instructions, or clarifications necessary to effect these methodologies. DOE and SBA further agree to explore potential changes to both the Federal Acquisition Regulation, SBA regulations, SBA guidelines, and reporting forms to improve the clarity and consistency of directional and instructional material, and to consider alternatives not otherwise precluded by law.
- (b) DOE and SBA agree to continue their cooperative efforts to advance the objectives of the Small Business Act and to identify and facilitate the achievement of additional small business opportunities in the performance of DOE contracts. These cooperative measures shall include, but shall not be limited to: coordination of subcontract plans through SBA's Procurement Center Representative (or designee); coordination of any procurement not otherwise set-aside for small business with SBA's Procurement Center Representative (or designee); participation of an SBA representative on DOE's small business acquisition review board; coordination with SBA's Breakout Procurement Center Representative (or designee) concerning the cost effectiveness, mission performance, security, safety, small business participants, and other legitimate acquisition objectives of the Department of any proposal break-out of requirements from an existing M&O contract.
- (c) DOE and SBA agree to cooperate in establishing realistic, challenging, but achievable goals for DOE prime and subcontracts consistent with the realistic potential for small business participation in DOE contracting in light of the Department's statutorily authorized business model.

**VI. Term**

This MOU shall remain in effect for two years from the date of the last signature unless terminated by either agency. Either agency may terminate the MOU with 60 days written notice to the other agency. This MOU may only be modified by written mutual consent.

**VII. Responsible Officials**

The responsible officials and points of contact for administrative matters pertaining to this MOU are:

**U.S. Department of Energy**


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Title: Director Office of  
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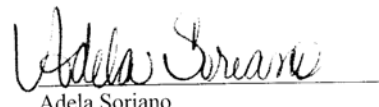
**U.S. Small Business Administration**

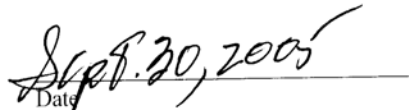
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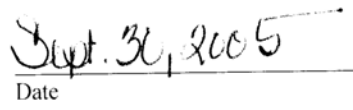
**VIII. Signatures**

The signatories of this MOU represent they have the authority to make such commitments on behalf of their respective agencies.

  
Bruce M. Carnes  
Director  
Office of Management  
U.S. Department of Energy

  
Adela Soriano  
Associate Administrator  
Office of Strategic Alliances  
U.S. Small Business Administration

  
Date

  
Date

**FY 2000-2004  
SB Achievements**  
(Exhibit B)



**DEPARTMENT OF ENERGY**  
**FY 2000 through FY 2004 SMALL BUSINESS ACHIEVEMENT**  
(Dollars in Thousands)

Category	2000			2001			2002			FY 2003			FY 2004		
	No. Prime Actions	Achievement \$	%	No. Prime Actions	Achievement \$	%	No. Prime Actions	Achievement \$	%	No. Prime Actions	Achievement \$	%	No. Prime Actions	Achievement \$	%
Prime Contracting Base		\$16,006,003			\$19,509,607			\$19,005,016			\$21,085,020			\$22,083,169	
Small Business	8,824	\$500,294	2.96%	8,833	\$538,334	2.69%	8,075	\$591,273	3.11%	7,728	\$589,374	4.00%	12,141	\$902,974	4.09%
B(a)	919	\$126,943	0.75%	809	\$148,716	0.80%	1,019	\$181,772	0.96%	1,072	\$165,194	0.78%	008	\$281,853	1.28%
non-B(a) SDB	865	\$39,452	0.35%	621	\$85,164	0.46%	601	\$106,707	0.56%	614	\$113,842	0.54%	1,094	\$15,468	0.07%
Total SDB	1,484	\$166,395	1.10%	1,530	\$233,880	1.26%	1,620	\$288,479	1.52%	1,686	\$279,036	1.32%	1,992	\$297,319	1.35%
Women-owned Small Business	501	\$41,770	0.25%	894	\$72,771	0.39%	685	\$86,066	0.52%	9,212	\$314,375	1.49%	1,456	\$124,608	0.59%
HULBZone Businesses	35	\$13,675	0.08%	88	\$11,831	0.06%	123	\$29,003	0.15%	1,794	\$72,607	0.34%	326	\$25,333	0.11%
Service-Disabled Veteran	N/A			N/A			17	\$1,360	0.01%	50	\$27,896	0.13%	56	\$9,469	0.04%
Subcontracting Base		\$6,709,361			\$8,429,347			\$7,548,561			\$7,344,657				
Small Business		3,286,454	48.7%		\$3,030,376	47.3%		\$3,688,204	48.9%		\$3,553,768	48.1%			0.0%
Small Disadvantaged Business		518,189	7.7%		\$833,918	9.6%		\$705,245	9.3%		\$582,098	7.9%			0.0%
Women-owned Small Business		465,738	7.4%		\$561,417	7.6%		\$573,584	7.6%		\$608,262	8.3%			0.0%
HULBZone Businesses		7,495	0.1%		\$45,859	0.7%		\$105,361	1.4%		\$127,438	1.7%			0.0%
Service-Disabled Veteran		755	0.0%		\$7,829	0.1%		\$3,458	0.0%		\$11,928	0.2%			0.0%
Total Prime and Subcontracting Small Business Awards		\$3,768,708			\$3,568,710			\$4,279,477			\$4,393,142			\$502,974	0.0%

The FY 2000 through 2003 prime contracting achievement numbers are from the FPDS.

The FY 2004 prime contracting achievement numbers are from the FPDS-NG.

The subcontracting numbers are from the Subcontracting Reporting System (SRS)

The subcontracting numbers for FY 2004 are not available as of 2/28/05 from the e-SRS

OFFICIAL FPDS AND SRS NUMBERS

FY 2006  
Departmental Proposed  
Prime Contracting Goals  
(Exhibit C)

11-Aug-05

## FY 2005/FY 2006 Proposed Small Business Goal Comparison

		FY 2005			FY 2006		
Program Element		Procurement Base	SB Goal \$\$	Goal %	Procurement Base	SB Goal \$\$	Goal %
1	CI (BD)	\$76,079	\$25,639	33.70%	\$104,400	\$32,400	31.03%
2	CN (ND)	\$32,926,061	\$304,443	0.92%	\$30,515,609	\$280,744	0.92%
3	EI (ND)	\$27,254,000	\$12,809,380	47.00%	\$28,298,040	\$13,299,310	47.00%
4	ED (ND)	\$624,103	\$624,103	100.00%	\$690,000	\$687,000	99.57%
5	EE (ND)	\$495,658,435	\$27,560,000	5.56%	\$516,290,882	\$29,958,000	5.80%
6	EH (SN)	\$31,588,360	\$10,370,000	32.83%	\$7,895,834	\$2,600,000	32.93%
7	EM (BD)	\$6,900,000,000	\$171,646,228	2.49%	\$6,200,000,000	\$207,900,000	3.35%
8	FE (ND)	\$282,902,603	\$76,937,064	27.20%	\$328,186,575	\$90,367,925	27.54%
9	GC (BD)	\$805,391	\$494,255	61.37%	\$769,000	\$460,000	59.82%
10	HG (SN)	\$278,524	\$83,820	30.09%	\$348,524	\$180,000	51.65%
11	IG (SN)	\$3,885,000	\$466,200	12.00%	\$5,086,665	\$406,933	8.00%
12	IM (BD)	\$68,849,901	\$32,408,000	47.07%	\$71,259,648	\$33,542,280	47.07%
13	IN (ND)	\$24,080,136	\$2,226,500	9.25%	\$22,056,851	\$2,041,000	9.25%
14	LM (MV)	\$35,143,000	\$27,305,000	77.70%	\$27,100,000	\$27,100,000	100.00%
15	ME-DIR (BD)	\$11,000,000	\$7,079,000	64.35%	\$11,162,000	\$7,666,000	68.68%
16	ME-WCF (BD)	\$20,088,000	\$18,088,000	90.04%	\$23,318,000	\$21,000,000	90.06%
17	NNSA (SN)	\$8,452,914,000	\$253,601,116	3.00%	\$8,461,987,000	\$237,592,724	2.81%
18	NE (BD)	\$380,250,132	\$8,365,523	2.20%	\$384,176,856	\$7,470,000	1.94%
19	PA (BD)	\$152,278	\$23,077	15.15%	\$151,600	\$31,100	20.51%
20	PI (SN)	\$1,355,000	\$74,525	5.50%	\$5,214,000	\$286,770	5.50%
21	RW (BD)	\$463,919,259	\$18,293,900	3.94%	\$542,982,259	\$21,393,501	3.94%
22	SC (ND)	\$2,628,974,752	\$33,982,900	1.29%	\$2,150,000,000	\$39,035,252	1.82%
23	SP (ND)	\$110,353,652	\$38,270,647	34.68%	\$112,802,760	\$33,180,000	29.41%
24	OE (MV)	\$52,680,000	\$996,000	1.89%	\$60,158,437	\$1,205,000	2.00%
25	WAPA (MV)	\$47,000,000	\$32,007,000	68.10%	\$63,700,000	\$43,381,701	68.10%
26	SWPA (MV)	\$11,229,500	\$5,897,500	52.52%	\$12,457,038	\$6,542,436	52.52%
Total		\$20,083,988,166	\$779,939,820	3.88%	\$19,066,711,978	\$827,640,076	4.34%

**FINAL**

U. S. Department of Energy  
FY 2006 Final Small Business Goals By Quarter

Government-wide goals				23.0%							
FY 2006 SBA Negotiated Department-wide goals											
Program Element	Procurement Base	SB Goal \$\$	Goal %	Total SB	First Quarter SB	Second Quarter SB	Third Quarter SB	Fourth Quarter SB	Goal %	Goal %	Goal %
Program Element	Procurement Base	SB Goal \$\$	Goal %	First Quarter \$\$	Goal %	Second Quarter \$\$	Goal %	Third Quarter \$\$	Goal %	Fourth Quarter \$\$	Goal %
1 CI (BD)	\$104,400	\$32,400	31.03%	\$0	0.00%	\$22,400	21.46%	\$10,000	9.58%	\$0	0.00%
2 CN (ND)	\$30,515,609	\$280,744	0.92%	\$0	0.00%	\$0	0.00%	\$140,372	0.46%	\$140,372	0.46%
3 EI (ND)	\$28,298,040	\$13,299,310	47.00%	\$212,390	0.75%	\$3,874,100	13.69%	\$3,981,820	14.07%	\$5,231,000	18.49%
4 ED (ND)	\$690,000	\$687,000	99.57%	\$0	0.00%	\$675,000	97.83%	\$0	0.00%	\$12,000	1.74%
5 EE (ND)	\$516,290,882	\$29,958,000	5.80%	\$5,852,000	1.13%	\$7,402,000	1.43%	\$7,702,000	1.49%	\$9,002,000	1.74%
6 EH (SN)	\$7,895,834	\$2,600,000	32.93%	\$250,000	3.17%	\$500,000	6.33%	\$850,000	10.77%	\$1,000,000	12.66%
7 EM (BD)	\$6,200,000,000	\$207,900,000	3.35%	\$23,000,000	0.37%	\$33,000,000	0.53%	\$2,000,000	0.03%	\$149,900,000	2.42%
8 FE (ND)	\$328,186,575	\$90,367,925	27.54%	\$30,282,019	9.23%	\$19,404,610	5.91%	\$19,307,623	5.88%	\$21,373,673	6.51%
9 GC (BD)	\$769,000	\$460,000	59.82%	\$10,000	1.30%	\$10,000	1.30%	\$10,000	1.30%	\$430,000	55.92%
10 HG (SN)	\$348,524	\$180,000	51.65%	\$45,000	12.91%	\$45,000	12.91%	\$45,000	12.91%	\$45,000	12.91%
11 IG (SN)	\$5,086,665	\$406,933	8.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$406,933	8.00%
12 IM (BD)	\$71,259,648	\$33,542,280	47.07%	\$1,000	0.00%	\$3,312,000	4.65%	\$11,514,789	16.16%	\$18,714,491	26.26%
13 IN (ND)	\$22,056,851	\$2,041,000	9.25%	\$925,000	4.19%	\$475,000	2.15%	\$179,000	0.81%	\$462,000	2.09%
14 LM (MV)	\$27,100,000	\$27,100,000	100.00%	\$6,000,000	22.14%	\$6,100,000	22.51%	\$7,000,000	25.83%	\$8,000,000	29.52%
15 ME-DIR (BD)	\$11,162,000	\$7,666,000	68.68%	\$650,000	5.82%	\$2,817,000	25.24%	\$2,855,000	25.58%	\$1,344,000	12.04%
16 ME-WCF (BD)	\$23,318,000	\$21,000,000	90.06%	\$1,000,000	4.29%	\$5,000,000	21.44%	\$6,000,000	25.73%	\$9,000,000	38.60%
17 NNSA (SN)	\$8,461,987,000	\$237,592,724	2.81%	\$20,954,918	0.25%	\$14,744,118	0.17%	\$34,412,718	0.41%	\$167,480,970	1.98%
18 NE (BD)	\$384,176,856	\$7,470,000	1.94%	\$302,000	0.08%	\$1,000,000	0.26%	\$2,500,000	0.65%	\$3,668,000	0.95%
19 PA (BD)	\$151,600	\$31,100	20.51%	\$0	0.00%	\$21,600	14.25%	\$9,500	6.27%	\$0	0.00%
20 PI (SN)	\$5,214,000	\$286,770	5.50%	\$0	0.00%	\$25,000	0.48%	\$206,770	3.97%	\$55,000	1.05%
21 RW (BD)	\$542,982,259	\$21,393,501	3.94%	\$271,491	0.05%	\$3,040,700	0.56%	\$8,687,716	1.60%	\$9,393,501	1.73%
22 SC (ND)	\$2,150,000,000	\$39,035,252	1.82%	\$4,500,000	0.21%	\$7,650,429	0.36%	\$10,268,301	0.48%	\$16,616,522	0.77%
23 SP (ND)	\$112,802,760	\$33,180,000	29.41%	\$600,000	0.53%	\$650,000	0.58%	\$13,250,000	11.75%	\$18,680,000	16.56%
24 OE (MV)	\$60,158,437	\$1,205,000	2.00%	\$10,000	0.02%	\$10,000	0.02%	\$10,000	0.02%	\$1,175,000	1.95%
25 WAPA (MV)	\$63,700,000	\$43,381,701	68.10%	\$3,095,821	4.86%	\$5,567,380	8.74%	\$11,268,530	17.69%	\$23,449,970	36.81%
26 SWPA (MV)	\$12,457,038	\$6,542,436	52.52%	\$100,000	0.80%	\$700,000	5.62%	\$1,600,000	12.84%	\$4,142,436	33.25%
<b>Total</b>	<b>#####</b>	<b>\$827,640,076</b>	<b>4.34%</b>	<b>\$98,061,639</b>	<b>0.51%</b>	<b>\$116,046,337</b>	<b>0.61%</b>	<b>\$143,809,139</b>	<b>0.75%</b>	<b>\$469,722,868</b>	<b>2.46%</b>

Yellow highlighted program elements have not submitted in writing their SB Goaling form.

Numbers and percentages entered in "black" indicate that goaling form was signed by element director.

Numbers and percentages entered in "red" indicate that goaling form has not been signed by element director.

**FINAL**

U. S. Department of Energy  
FY 2006 Final Cumulative Small Business Goals By Quarter

Government-wide goals				CUMULATIVE							
FY 2006 SBA Negotiated Department-wide goals				First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
Program Element	Procurement Base	SB Goal \$\$	Goal %	First Quarter \$	Goal %	Second Quarter \$	Goal %	Third Quarter \$	Goal %	Fourth Quarter \$	Goal %
1 CI (BD)	\$104,400	\$32,400	31.03%	\$0	0.00%	\$22,400	21.46%	\$32,400	31.03%	\$32,400	31.03%
2 CN (ND)	\$30,515,609	\$280,744	0.92%	\$0	0.00%	\$0	0.00%	\$140,372	0.46%	\$280,744	0.92%
3 EI (ND)	\$28,298,040	\$13,299,310	47.00%	\$212,390	0.75%	\$4,086,490	14.44%	\$8,068,310	28.51%	\$13,299,310	47.00%
4 ED (ND)	\$690,000	\$687,000	99.57%	\$0	0.00%	\$675,000	97.83%	\$675,000	97.83%	\$687,000	99.57%
5 EE (ND)	\$516,290,882	\$29,958,000	5.80%	\$5,852,000	1.13%	\$13,254,000	2.57%	\$20,956,000	4.06%	\$29,958,000	5.80%
6 EH (SN)	\$7,895,834	\$2,600,000	32.93%	\$250,000	3.17%	\$750,000	9.50%	\$1,600,000	20.26%	\$2,600,000	32.93%
7 EM (BD)	\$6,200,000,000	\$207,900,000	3.35%	\$23,000,000	0.37%	\$56,000,000	0.90%	\$58,000,000	0.94%	\$207,900,000	3.35%
8 FE (ND)	\$328,186,575	\$90,367,925	27.54%	\$30,282,019	9.23%	\$49,686,629	15.14%	\$68,994,252	21.02%	\$90,367,925	27.54%
9 GC (BD)	\$769,000	\$460,000	59.82%	\$10,000	1.30%	\$20,000	2.60%	\$30,000	3.90%	\$460,000	59.82%
10 HG (SN)	\$348,524	\$180,000	51.65%	\$45,000	12.91%	\$90,000	25.82%	\$135,000	38.73%	\$180,000	51.65%
11 IG (SN)	\$5,086,665	\$406,933	8.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$406,933	8.00%
12 IM (BD)	\$71,259,648	\$33,542,280	47.07%	\$1,000	0.00%	\$3,313,000	4.65%	\$14,827,789	20.81%	\$33,542,280	47.07%
13 IN (ND)	\$22,056,851	\$2,041,000	9.25%	\$925,000	4.19%	\$1,400,000	6.35%	\$1,579,000	7.16%	\$2,041,000	9.25%
14 LM (MV)	\$27,100,000	\$27,100,000	100.00%	\$6,000,000	22.14%	\$12,100,000	44.65%	\$19,100,000	70.48%	\$27,100,000	100.00%
15 ME-DIR (BD)	\$11,162,000	\$7,666,000	68.68%	\$650,000	5.82%	\$3,467,000	31.06%	\$6,322,000	56.64%	\$7,666,000	68.68%
16 ME-WCF (BD)	\$23,318,000	\$21,000,000	90.06%	\$1,000,000	4.29%	\$6,000,000	25.73%	\$12,000,000	51.46%	\$21,000,000	90.06%
17 NNSA (SN)	\$8,461,987,000	\$237,592,724	2.81%	\$20,954,918	0.25%	\$35,699,036	0.42%	\$70,111,754	0.83%	\$237,592,724	2.81%
18 NE (BD)	\$384,176,856	\$7,470,000	1.94%	\$302,000	0.08%	\$1,302,000	0.34%	\$3,802,000	0.99%	\$7,470,000	1.94%
19 PA (BD)	\$151,600	\$31,100	20.51%	\$0	0.00%	\$21,600	14.25%	\$31,100	20.51%	\$31,100	20.51%
20 PI (SN)	\$5,214,000	\$286,770	5.50%	\$0	0.00%	\$25,000	0.48%	\$231,770	4.45%	\$286,770	5.50%
21 RW (BD)	\$542,982,259	\$21,393,501	3.94%	\$271,491	0.05%	\$3,312,191	0.61%	\$11,999,907	2.21%	\$21,393,408	3.94%
22 SC (ND)	\$2,150,000,000	\$39,035,252	1.82%	\$4,500,000	0.21%	\$12,150,429	0.57%	\$22,418,730	1.04%	\$39,035,252	1.82%
23 SP (ND)	\$112,802,760	\$33,180,000	29.41%	\$600,000	0.53%	\$1,250,000	1.11%	\$14,500,000	12.85%	\$33,180,000	29.41%
24 OE (MV)	\$60,158,437	\$1,205,000	2.00%	\$10,000	0.02%	\$20,000	0.03%	\$30,000	0.05%	\$1,205,000	2.00%
25 WAPA (MV)	\$63,700,000	\$43,381,701	68.10%	\$3,095,821	4.86%	\$8,663,201	13.60%	\$19,931,731	31.29%	\$43,381,701	68.10%
26 SWPA (MV)	\$12,457,038	\$6,542,436	52.52%	\$100,000	0.80%	\$800,000	6.42%	\$2,400,000	19.27%	\$6,542,436	52.52%
<b>Total</b>	<b>#####</b>	<b>\$827,640,076</b>	<b>4.34%</b>	<b>\$98,061,639</b>	<b>0.51%</b>	<b>\$214,107,976</b>	<b>1.12%</b>	<b>\$357,917,115</b>	<b>1.88%</b>	<b>\$827,639,983</b>	<b>4.34%</b>

Yellow highlighted program elements have not submitted in writing their SB Goaling form.

Numbers and percentages entered in "black" indicate that goaling form was signed by element director.

Numbers and percentages entered in "red" indicate that goaling form has not been signed by element dir

**FINAL**

FY 2006  
M&O Proposed Preliminary  
Sub-Contracting Goals  
(Exhibit D)

Facility	
1	Lawrence Berkeley National Laboratory (S)
2	River Corridor Closure Contract (EM)
3	Stanford Linear Accelerator Center (SC)
4	Brookhaven National Laboratory (SC)
5	Argonne National Laboratory (SC)
6	Idaho Nat Engr & Environ Laboratory (NE)
7	Idaho Cleanup Project (EM)
8	Thomas Jefferson Nat'l Accelerator Facilit
9	National Renewable Energy Laboratory (E)

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Department of Energy  
FY 2006 Proposed Subcontracting Goals

	Facility	Contractor	Total FY 2006 Projected	FY 2006 Projected	Percent SDB	FY 2006 Projected	Percent 8(a) Pilot
			Sub-k procurement base	SDB \$\$	Sub-k	8(a) Pilot \$\$ *	Sub-k
1	Lawrence Berkeley National Laboratory (SC)	University Of California	\$142,000,000	\$8,500,000	5.99%	\$0	0.00%
2	River Corridor Closure Contract (EM)	Washington Closure, LLC	\$110,000,000	\$24,160,000	21.96%	\$0	0.00%
3	Stanford Linear Accelerator Center (SC)	Stanford University	\$132,226,744	\$11,900,407	9.00%	\$3,966,802	3.00%
4	Brookhaven National Laboratory (SC)	Brookhaven Science Associates	\$131,128,854	\$6,556,443	5.00%	\$3,278,221	2.50%
5	Argonne National Laboratory (SC)	University Of Chicago	\$125,000,000	\$6,250,000	5.00%	\$6,250,000	5.00%
6	Idaho Nat Engr & Environ Laboratory (NE)	Battelle Energy Alliance	\$235,000,000	\$7,050,000	3.00%	\$4,700,000	2.00%
7	Idaho Cleanup Project (EM)	CH2M Hill-WGI (CWI)	\$567,900,000	\$85,485,000	15.05%	\$34,194,000	6.02%
8	Thomas Jefferson Nat'l Accelerator Facility (SC)	Southeastern Univ Res. Assoc.	\$31,700,000	\$1,109,500	3.50%	\$0	0.00%
9	National Renewable Energy Laboratory (EE)	Midwest Research Institute	\$65,500,000	\$3,500,000	5.34%	\$0	0.00%
10	Ames National Laboratory (SC)	Iowa State University	\$5,000,000	\$375,000	7.50%	\$0	0.00%
11	West Valley Demonstration Project (EM)	Westinghouse-West Valley Nuc. Serv	\$28,695,000	\$2,295,600	8.00%	\$1,147,800	4.00%
12	Oak Ridge National Laboratory (SC)	University of Tennessee/Battelle	\$400,000,000	\$28,000,000	7.00%	\$0	0.00%
13	Knolls Atomic Power Laboratory (NNSA)	Lockheed Martin-KAPL, Inc	\$204,000,000	\$7,200,000	3.53%	\$0	0.00%
14	Lawrence Livermore National Laboratory (NNSA)	University Of California	\$650,000,000	\$33,000,000	5.08%	\$0	0.00%
15	Los Alamos National Laboratory (NNSA)	University Of California	\$900,000,000	\$90,000,000	10.00%	\$0	0.00%
16	Nevada Test Site (NNSA)	Bechtel Nevada Corp	\$205,500,000	\$10,275,000	5.00%	\$0	0.00%
17	Oak Ridge Y-12 Site (NNSA)	BWXT Y-12 LLC	\$247,000,000	\$24,700,000	10.00%	\$0	0.00%
18	Waste Isolation Pilot Plant (EM)	Washington TRU Solutions	\$70,047,312	\$10,507,096	15.00%	\$5,253,548	7.50%
19	Kansas City Plant (NNSA)	Honeywell Federal Mfg. & Tech.	\$193,326,811	\$6,925,000	3.58%	\$0	0.00%
20	Pantex Plant (NNSA)	BWXT Pantex LLC	\$150,676,000	\$6,780,420	4.50%	\$0	0.00%
21	Nat Civilian Radioactive Waste Prog (Yucca Mtn) (RW)	Bechtel SAIC	\$175,403,538	\$8,770,177	5.00%	\$4,385,088	2.50%
22	Mound Environmental Closure Project (EM)	CH2M Hill Mound Inc.	\$35,426,800	\$4,251,216	12.00%	\$0	0.00%
23	Princeton Plasma Physics Laboratory (SC)	Princeton University	\$45,400,000	\$2,270,000	5.00%	\$0	0.00%
24	River Protection Project Tank Farm Mgmt. (EM)	CH2M Hill Hanford Group	\$138,800,000	\$4,200,000	3.03%	\$2,000,000	1.44%
25	Savannah River Site (EM)	Wackenhut Inc., Services	\$7,274,311	\$727,431	10.00%	\$0	0.00%
26	Savannah River Site (EM)	Westinghouse Savannah River Co.	\$300,000,000	\$24,000,000	8.00%	\$18,000,000	6.00%
27	Rocky Flats Closure Project (EM)	Kaiser Hill Co. LLC					
28	Fermi National Accelerator Center (SC)	Universities Resarch Association	\$100,000,000	\$5,000,000	5.00%	\$0	0.00%
29	Pacific Northwest National Laboratory (SC)	Battelle Memorial Institute	\$178,200,000	\$14,256,000	8.00%	\$7,128,000	4.00%
30	Strategic Petroleum Reserve (FE)	Dyn McDermott Petroleum Ops. Co.	\$46,487,049	\$2,324,352	5.00%	\$1,162,176	2.50%
31	Oak Ridge Environmental Management (EM)	Bechtel Jacobs Co LLC	\$353,672,110	\$17,683,606	5.00%	\$0	0.00%
32	Sandia National Laboratories (NNSA)	Lockheed Martin-Sandia Corp.	\$1,003,502,650	\$75,262,699	7.50%	\$0	0.00%
33	Bettis Atomic Power Laboratory (NNSA)	Bechtel Bettis Inc	\$170,000,000	\$2,720,000	1.60%	\$0	0.00%
34	Fernald Closure Project (EM)	Fluor Fernald	\$40,834,840	\$0	0.00%	\$0	0.00%
35	Waste Treatment Plant (EM)	Bechtel National	\$3,000,000,000	\$78,500,000	2.62%	\$0	0.00%
36	Hanford Environmental Health Foundation (EM)	Advance Medical Corporation	\$3,900,000	\$2,400,000	61.54%	\$0	0.00%
37	Oak Ridge Institute for Science and Education (ORISE) (SC)	Oak Ridge Associated Universities (ORAU)					
38	Project Hanford Mgt Contractor (PHMC) (EM)	Fluor Hanford, Inc.	\$180,000,000	\$9,000,000	5.00%	\$0	0.00%
39	Portsmouth Remediation (EM)	LATA/Parallax (SB)					
40	Portsmouth Infrastructure (EM)	Theta Pro2Serve Management Co LLC (SB)					
41	Paducah Infrastructure (EM)	Swift and Staley Mechanical Contractors (SB)					
42	Paducah Remediation (EM)	Not yet awarded					
43	Fast Flux Test Facility D&D (EM)	Not yet awarded					
Total			\$10,373,602,019	\$625,934,947	6.03%	\$91,465,635	0.88%

A yellow highlight indicates that the goals are not firm, and that negotiations between the field office and the contractor are in progress.

A red highlight means that the current work will be completed before 12/05; therefore, FY 2006 Subk goals will not be proposed.

A lavender highlight indicates that certification has been made that the subk base is in compliance with SBA's exclusions.

A lime highlight indicates that the contractor changed names. Effective last week, Bechtel Hanford has been replaced by Washington Closure, LLC. Also Washington Closure does not negotiate goals annually.

An orange highlight indicates that the subk base has exclusions not sanctioned by SBA.



Department of Energy  
FY 2006 Proposed Subcontracting Goals

	Facility	Contractor	Total FY 2006 Projected	FY 2006 Projected	Percent WOSB	FY 2006 Projected	Percent HUBZone
			Sub-k procurement base	WOSB \$\$	Sub-k	HUBZone \$\$	Sub-k
1	Lawrence Berkeley National Laboratory (SC)	University Of California	\$142,000,000	\$7,100,000	5.00%	\$4,260,000	3.00%
2	River Corridor Closure Contract (EM)	Washington Closure, LLC	\$110,000,000	\$14,270,000	12.97%	\$4,940,000	4.49%
3	Stanford Linear Accelerator Center (SC)	Stanford University	\$132,226,744	\$13,222,674	10.00%	\$3,966,802	3.00%
4	Brookhaven National Laboratory (SC)	Brookhaven Science Associates	\$131,128,854	\$6,556,443	5.00%	\$3,933,866	3.00%
5	Argonne National Laboratory (SC)	University Of Chicago	\$125,000,000	\$6,250,000	5.00%	\$3,750,000	3.00%
6	Idaho Nat Engr & Environ Laboratory (NE)	Battelle Energy Alliance	\$235,000,000	\$7,050,000	3.00%	\$7,050,000	3.00%
7	Idaho Cleanup Project (EM)	CH2M Hill-WGI (CWI)	\$567,900,000	\$56,990,000	10.04%	\$17,097,000	3.01%
8	Thomas Jefferson Nat'l Accelerator Facility (SC)	Southeastern Univ Res. Assoc.	\$31,700,000	\$2,219,000	7.00%	\$317,000	1.00%
9	National Renewable Energy Laboratory (EE)	Midwest Research Institute	\$65,500,000	\$3,500,000	5.34%	\$2,100,000	3.21%
10	Ames National Laboratory (SC)	Iowa State University	\$5,000,000	\$250,000	5.00%	\$150,000	3.00%
11	West Valley Demonstration Project (EM)	Westinghouse-West Valley Nuc. Serv	\$28,695,000	\$2,869,500	10.00%	\$430,425	1.50%
12	Oak Ridge National Laboratory (SC)	University of Tennessee/Battelle	\$400,000,000	\$28,000,000	7.00%	\$12,000,000	3.00%
13	Knolls Atomic Power Laboratory (NNSA)	Lockheed Martin-KAPL, Inc	\$204,000,000	\$10,400,000	5.10%	\$5,300,000	2.60%
14	Lawrence Livermore National Laboratory (NNSA)	University Of California	\$650,000,000	\$33,000,000	5.08%	\$6,500,000	1.00%
15	Los Alamos National Laboratory (NNSA)	University Of California	\$900,000,000	\$81,000,000	9.00%	\$9,000,000	1.00%
16	Nevada Test Site (NNSA)	Bechtel Nevada Corp	\$205,500,000	\$20,550,000	10.00%	\$6,165,000	3.00%
17	Oak Ridge Y-12 Site (NNSA)	BWXT Y-12 LLC	\$247,000,000	\$24,700,000	10.00%	\$7,410,000	3.00%
18	Waste Isolation Pilot Plant (EM)	Washington TRU Solutions	\$70,047,312	\$4,903,311	7.00%	\$2,801,892	4.00%
19	Kansas City Plant (NNSA)	Honeywell Federal Mfg. & Tech.	\$193,326,811	\$9,488,000	4.91%	\$5,035,000	2.60%
20	Pantex Plant (NNSA)	BWXT Pantex LLC	\$150,676,000	\$7,533,800	5.00%	\$2,260,140	1.50%
21	Nat Civilian Radioactive Waste Prog (Yucca Mtn) (RW)	Bechtel SAIC	\$175,403,538	\$8,770,177	5.00%	\$5,262,106	3.00%
22	Mound Environmental Closure Project (EM)	CH2M Hill Mound Inc.	\$35,426,800	\$3,542,680	10.00%	\$1,062,804	3.00%
23	Princeton Plasma Physics Laboratory (SC)	Princeton University	\$45,400,000	\$2,270,000	5.00%	\$1,362,000	3.00%
24	River Protection Project Tank Farm Mgmt. (EM)	CH2M Hill Hanford Group	\$138,800,000	\$6,000,000	4.32%	\$5,300,000	3.82%
25	Savannah River Site (EM)	Wackenhut Inc., Services	\$7,274,311	\$1,091,147	15.00%	\$218,229	3.00%
26	Savannah River Site (EM)	Westinghouse Savannah River Co.	\$300,000,000	\$18,000,000	6.00%	\$4,500,000	1.50%
27	Rocky Flats Closure Project (EM)	Kaiser Hill Co. LLC					
28	Fermi National Accelerator Center (SC)	Universities Research Association	\$100,000,000	\$5,000,000	5.00%	\$3,000,000	3.00%
29	Pacific Northwest National Laboratory (SC)	Battelle Memorial Institute	\$178,200,000	\$12,474,000	7.00%	\$5,346,000	3.00%
30	Strategic Petroleum Reserve (FE)	Dyn McDermott Petroleum Ops. Co.	\$46,487,049	\$2,789,223	6.00%	\$1,394,611	3.00%
31	Oak Ridge Environmental Management (EM)	Bechtel Jacobs Co LLC	\$353,672,110	\$17,683,606	5.00%	\$10,610,163	3.00%
32	Sandia National Laboratories (NNSA)	Lockheed Martin-Sandia Corp.	\$1,003,502,650	\$70,245,186	7.00%	\$30,105,080	3.00%
33	Bettis Atomic Power Laboratory (NNSA)	Bechtel Bettis Inc	\$170,000,000	\$2,890,000	1.70%	\$1,020,000	0.60%
34	Fernald Closure Project (EM)	Fluor Fernald	\$40,834,840	\$1,136,480	2.78%	\$0	0.00%
35	Waste Treatment Plant (EM)	Bechtel National	\$3,000,000,000	\$74,000,000	2.47%	\$48,000,000	1.60%
36	Hanford Environmental Health Foundation (EM)	Advance Medical Corporation	\$3,900,000	\$2,400,000	61.54%	\$11,700	0.30%
37	Oak Ridge Institute for Science and Education (ORISE) (SC)	Oak Ridge Associated Universities (ORAU)					
38	Project Hanford Mgt Contractor (PHMC) (EM)	Fluor Hanford, Inc.	\$180,000,000	\$10,800,000	6.00%	\$2,700,000	1.50%
39	Portsmouth Remediation (EM)	LATA/Parallax (SB)					
40	Portsmouth Infrastructure (EM)	Theta Pro2Serve Management Co LLC (SB)					
41	Paducah Infrastructure (EM)	Swift and Staley Mechanical Contractors (SB)					
42	Paducah Remediation (EM)	Not yet awarded					
43	Fast Flux Test Facility D&D (EM)	Not yet awarded					
Total			\$10,373,602,019	\$578,945,227	5.58%	\$224,359,818	2.16%

A yellow highlight indicates that the goals are not firm, and that negotiations between the field office and the contractor are in progress.

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An orange highlight indicates that the subk base has exclusions not sanctioned by SBA.

Department of Energy  
FY 2006 Proposed Subcontracting Goals

	Facility	Contractor	Total FY 2006 Projected	FY 2006 Projected	Percent SDVOSB	FY 2006 Projected	Percent VOSB
			Sub-k procurement base	SDVOSB \$\$	Sub-k	VOSB \$\$	Sub-k
1	Lawrence Berkeley National Laboratory (SC)	University Of California	\$142,000,000	\$2,130,000	1.50%	\$2,130,000	1.50%
2	River Corridor Closure Contract (EM)	Washington Closure, LLC	\$110,000,000	\$3,290,000	2.99%	\$3,290,000	2.99%
3	Stanford Linear Accelerator Center (SC)	Stanford University	\$132,226,744	\$3,966,802	3.00%	\$3,966,802	3.00%
4	Brookhaven National Laboratory (SC)	Brookhaven Science Associates	\$131,128,854	\$3,933,866	3.00%	\$3,933,866	3.00%
5	Argonne National Laboratory (SC)	University Of Chicago	\$125,000,000	\$1,250,000	1.00%	\$1,250,000	1.00%
6	Idaho Nat Engr & Environ Laboratory (NE)	Battelle Energy Alliance	\$235,000,000	\$2,350,000	1.00%	\$4,700,000	2.00%
7	Idaho Cleanup Project (EM)	CH2M Hill-WGI (CWI)	\$567,900,000	\$5,699,000	1.00%	\$17,097,000	3.01%
8	Thomas Jefferson Nat'l Accelerator Facility (SC)	Southeastern Univ Res. Assoc.	\$31,700,000	\$951,000	3.00%	\$951,000	3.00%
9	National Renewable Energy Laboratory (EE)	Midwest Research Institute	\$65,500,000	\$700,000	1.07%	\$2,100,000	3.21%
10	Ames National Laboratory (SC)	Iowa State University	\$5,000,000	\$150,000	3.00%	\$150,000	3.00%
11	West Valley Demonstration Project (EM)	Westinghouse-West Valley Nuc. Serv	\$28,695,000	\$286,950	1.00%	\$430,425	1.50%
12	Oak Ridge National Laboratory (SC)	University of Tennessee/Battelle	\$400,000,000	\$12,000,000	3.00%	\$12,000,000	3.00%
13	Knolls Atomic Power Laboratory (NNSA)	Lockheed Martin-KAPL, Inc	\$204,000,000	\$650,000	0.32%	\$3,000,000	1.47%
14	Lawrence Livermore National Laboratory (NNSA)	University Of California	\$650,000,000	\$6,500,000	1.00%	\$16,500,000	2.54%
15	Los Alamos National Laboratory (NNSA)	University Of California	\$900,000,000	\$9,000,000	1.00%	\$36,000,000	4.00%
16	Nevada Test Site (NNSA)	Bechtel Nevada Corp	\$205,500,000	\$6,165,000	3.00%	\$20,555,000	10.00%
17	Oak Ridge Y-12 Site (NNSA)	BWXT Y-12 LLC	\$247,000,000	\$4,940,000	2.00%	\$7,410,000	3.00%
18	Waste Isolation Pilot Plant (EM)	Washington TRU Solutions	\$70,047,312	\$350,236	0.50%	\$700,473	1.00%
19	Kansas City Plant (NNSA)	Honeywell Federal Mfg. & Tech.	\$193,326,811	\$1,100,000	0.57%	\$5,035,000	2.60%
20	Pantex Plant (NNSA)	BWXT Pantex LLC	\$150,676,000	\$3,013,520	2.00%	\$6,027,040	4.00%
21	Nat Civilian Radioactive Waste Prog (Yucca Mtn) (RW)	Bechtel SAIC	\$175,403,538	\$5,262,106	3.00%	\$5,262,106	3.00%
22	Mound Environmental Closure Project (EM)	CH2M Hill Mound Inc.	\$35,426,800	\$1,062,804	3.00%	\$1,062,804	3.00%
23	Princeton Plasma Physics Laboratory (SC)	Princeton University	\$45,400,000	\$1,362,000	3.00%	\$1,362,000	3.00%
24	River Protection Project Tank Farm Mgmt. (EM)	CH2M Hill Hanford Group	\$138,800,000	\$525,000	0.38%	\$4,200,000	3.03%
25	Savannah River Site (EM)	Wackenhut Inc., Services	\$7,274,311	\$145,486	2.00%	\$218,229	3.00%
26	Savannah River Site (EM)	Westinghouse Savannah River Co.	\$300,000,000	\$0	0.00%	\$0	0.00%
27	Rocky Flats Closure Project (EM)	Kaiser Hill Co. LLC					
28	Fermi National Accelerator Center (SC)	Universities Research Association	\$100,000,000	\$3,000,000	3.00%	\$3,000,000	3.00%
29	Pacific Northwest National Laboratory (SC)	Battelle Memorial Institute	\$178,200,000	\$2,673,000	1.50%	\$2,673,000	1.50%
30	Strategic Petroleum Reserve (FE)	Dyn McDermott Petroleum Ops. Co.	\$46,487,049	\$325,409	0.70%	\$325,409	0.70%
31	Oak Ridge Environmental Management (EM)	Bechtel Jacobs Co LLC	\$353,672,110	\$10,610,163	3.00%	\$10,610,163	3.00%
32	Sandia National Laboratories (NNSA)	Lockheed Martin-Sandia Corp.	\$1,003,502,650	\$30,105,080	3.00%	\$40,140,116	4.00%
33	Bettis Atomic Power Laboratory (NNSA)	Bechtel Bettis Inc	\$170,000,000	\$85,000	0.05%	\$1,870,000	1.10%
34	Fernald Closure Project (EM)	Fluor Fernald	\$40,834,840	\$135,913	0.33%	\$135,913	0.33%
35	Waste Treatment Plant (EM)	Bechtel National	\$3,000,000,000	\$3,600,000	0.12%	\$86,500,000	2.88%
36	Hanford Environmental Health Foundation (EM)	Advance Medical Corporation	\$3,900,000	\$3,900	0.10%	\$19,500	0.50%
37	Oak Ridge Institute for Science and Education (ORISE) (SC)	Oak Ridge Associated Universities (ORAU)					
38	Project Hanford Mgt Contractor (PHMC) (EM)	Fluor Hanford, Inc.	\$180,000,000	\$180,000	0.10%	\$1,800,000	1.00%
39	Portsmouth Remediation (EM)	LATA/Parallax (SB)					
40	Portsmouth Infrastructure (EM)	Theta Pro2Serve Management Co LLC (SB)					
41	Paducah Infrastructure (EM)	Swift and Staley Mechanical Contractors (SB)					
42	Paducah Remediation (EM)	Not yet awarded					
43	Fast Flux Test Facility D&D (EM)	Not yet awarded					
Total			\$10,373,602,019	\$127,502,235	1.23%	\$306,405,846	2.95%

A yellow highlight indicates that the goals are not firm, and that negotiations between the field office and the contractor are in progress.

A red highlight means that the current work will be completed before 12/05; therefore, FY 2006 Subk goals will not be proposed.

A lavender highlight indicates that certification has been made that the subk base is in compliance with SBA's exclusions.

A lime highlight indicates that the contractor changed names. Effective last week, Bechtel Hanford has been replaced by Washington Closure, LLC. Also Washington Closure does not negotiate goals annually.

An orange highlight indicates that the subk base has exclusions not sanctioned by SBA.

# Acquisition Letter 2005-08

(Exhibit E)



**Department of Energy  
Acquisition Regulation**

**No. 2005-08  
Date 06/10/05**

# ACQUISITION LETTER

This Acquisition Letter is issued under the authority of the DOE and NNSA Procurement Executives.

**Subject: Small Business Programs**

## References:

FAR 7.107	Additional requirements for acquisitions involving bundling
FAR 19.201	General policy
FAR 19.202-1	Encouraging small business participation in acquisitions
FAR 19.302	Protesting a small business representation
FAR 19.306	Protesting a firm's status as a HUBZone small business concern
FAR 19.307	Protesting a firm's status as a service-disabled veteran-owned small business concern
FAR Subpart 19.5	Set-Asides for Small Business
FAR Subpart 19.7	The Small Business Subcontracting Program
FAR Subpart 19.8	Contracting with the Small Business Administration (The 8(a) Program)
FAR Subpart 19.11	Price Evaluation Adjustment for Small Disadvantaged Business Concerns
FAR Subpart 19.12	Small Disadvantaged Business Participation Program
FAR Subpart 19.13	Historically Underutilized Business Zone (HUBZone) Program
FAR Subpart 19.14	Service-Disabled Veteran-Owned Small Business Procurement Program
FAR 52.219-4	Notice of Price Evaluation Preference for HUBZone Small Business Concerns
FAR 52.219-10	Incentive Subcontracting Program
FAR 52.219-22	Small Disadvantaged Business Status
FAR 52.219-24	Small Disadvantaged Business Participation Program-Targets
FAR 52.219-25	Small Disadvantaged Business Participation Program-Disadvantaged Status and Reporting
DEAR Subpart 919.5	Set-Asides for Small Business
DEAR Subpart 919.7	Subcontracting with Small Business, Small Disadvantaged Business, and Women-Owned Small Business Concerns
DEAR Subpart 919.8	Contracting with the Small Business Administration (The 8(a) Program)
DEAR Subpart 919.70	The Department of Energy Mentor-Protégé Program
DEAR 970.1504-4-1	Make-or-buy plans
DEAR 970.5215-2	Make-or-buy plan
DOE Acquisition Guide Chapter 38	Task Order Contracting
13 CFR Chapter 1	Small Business Administration
OFPP Letter 99-1	Small Business Procurement Goals

## **Effective date of the Acquisition Letter (AL)**

This AL is effective 10 business days from the date of issuance.

## **AL Expiration**

This AL remains in effect until superseded or canceled. This AL supersedes AL-2004-03 (Small Business Programs, dated May 5, 2004), which is rescinded in its entirety.

## **Points of Contact**

Contact Stephen Zvolensky, Department of Energy (DOE) Office of Procurement and Assistance Policy, at (202) 287-1307 or [stephen.zvolensky@hq.doe.gov](mailto:stephen.zvolensky@hq.doe.gov), or Gary Lyttek, National Nuclear Security Administration (NNSA) Office of Acquisition and Supply Management, at (202) 586-8304 or [gary.lyttek@nnsa.doe.gov](mailto:gary.lyttek@nnsa.doe.gov). Questions regarding the Office of Small and Disadvantaged Business Utilization (OSDBU) may be directed to Yosef Patel at (202) 586-7377 or [yosef.patel@hq.doe.gov](mailto:yosef.patel@hq.doe.gov).

## **Purpose of the AL**

The purpose of this AL is to make available guidance on contracting with small business concerns.

This AL is divided into three parts: Part I applies to the award of prime contracts; Part II applies to the award of subcontracts; and Part III includes other considerations.

## **Background on Small Business**

The Small Business Act contains a government-wide goal for participation by small business concerns of not less than 23 percent of the total value of all prime contract awards for each fiscal year as well as individual goals for women-owned small business concerns (5%), small disadvantaged business concerns (5%), service-disabled veteran-owned small business concerns (3%) and HUBZone small business concerns (3%). The Act further provides that agencies negotiate annual goals with the Small Business Administration (SBA). Information on the government-wide goaling guidelines for the small business preference programs can be found at <http://www.sba.gov/GC/goals/ggtotal71503.pdf>. DOE annually negotiates Department-wide goals with SBA. The Department establishes individual element goals using the Office of Small and Disadvantaged Business Utilization (OSDBU) goal documents and forms (found on the OSDBU website). The OSDBU also issues an annual Small Business Strategic Plan ([http://smallbusiness.doe.gov/OSDBU\\_Strategic\\_Plan.pdf](http://smallbusiness.doe.gov/OSDBU_Strategic_Plan.pdf)) that provides steps the Department will take to increase its small business awards.

## **Definitions**

The definitions for the various preference programs (e.g., HUBZone) used in this Acquisition Letter can be found at FAR Subpart 2.1 (hyperlink: [arnet](#)).

**Part I. Prime Contracting**

- A. SMALL BUSINESS CONTRACTING PROCESSES**
- B. SMALL BUSINESS PROCUREMENT TOOLS**
- C. SMALL BUSINESS MARKET RESEARCH**
- D. SMALL BUSINESS ACQUISITION PLANNING**

**Part II. Subcontracting with Small Business**

- A. SUBCONTRACTING PLANS**
- B. SUBCONTRACTING PROCEDURES**

**Part III. Other Considerations**

- A. SECURITY CLEARANCES**
- B. SMALL BUSINESS STATISTICS**
- C. SECRETARY'S SMALL BUSINESS AWARDS**

## **Part I. Prime Contracting**

### **A. SMALL BUSINESS CONTRACTING PROCESSES**

**Total small business set-asides.** Each acquisition of supplies or services that has an anticipated dollar value exceeding \$2,500 (\$15,000 for acquisitions as described in the Federal Acquisition Regulation (FAR) 13.201(g)(1)(i) and \$25,000 as described in FAR 13.201(g)(1)(ii)), but not over \$100,000 (\$250,000 for acquisitions described in paragraph (1), and \$1 million for acquisitions described in paragraph (2), of the Simplified Acquisition Threshold definition at FAR 2.101), is automatically reserved exclusively for small business concerns and shall be set aside for small business unless the Contracting Officer determines there is not a reasonable expectation of obtaining offers from two or more responsible small business concerns that are competitive in terms of market prices, quality, and delivery. This obligation also applies to purchase card transactions. The Contracting Officer shall set aside any acquisition over \$100,000 for small business participation when there is a reasonable expectation that (1) offers will be obtained from at least two responsible small business concerns offering the products of different small business concerns and (2) award will be made at fair market prices.

**Awards to 8(a) Firms.** For procurements with an anticipated total value, including options, not exceeding \$5 million for acquisitions assigned manufacturing North American Industry Classification System (NAICS) codes and \$3 million for all other acquisitions, if an 8(a) certified firm can be identified with the expectation that the award would be at a fair market price, an award may be made noncompetitively to an 8(a) firm. If the procurement is valued in excess of \$3 million (\$5 million for manufacturing) and two or more capable 8(a) firms can be so identified, the procurement also may be set aside for competition among 8(a) firms (see FAR 19.805-1(a)(2)). These 8(a) competitive thresholds do not apply to awards made to 8(a) businesses owned by tribal governments or Alaskan Native Corporations (ANCs). That is, awards valued in excess of the competitive threshold may be made to such entities on a sole source basis without regard to the estimated cost of the acquisition (see FAR 19.805-1). Contracting activities may make awards under the 8(a) program with Department of Energy/National Nuclear Security Administration (DOE/NNSA) Contracting Officers signing on behalf of Small Business Administration (SBA), in accordance with the 2003 partnership agreement with SBA. This delegated signature authority saves time and effort in completing the award between DOE and SBA and the subcontract between SBA and the selected 8(a) firm.

**Small Business Competitiveness Demonstration.** DOE participates in the Small Business Competitive Demonstration program established by the Small Business Competitiveness Demonstration Program Act of 1988. See FAR 19.1005 for the list of applicable NAICS Codes under the program. OSDBU will monitor the attainment of their small business goals on annual basis. OSDBU will report to the SBA the data for the previous fiscal year not later than January 31st of the next year.

**Price evaluation preference for HUBZone small business concerns.** Price evaluation preferences of 10 % shall be used to facilitate an award to HUBZone small business concerns in acquisitions conducted using full and open competition (see FAR 19.1307). The price evaluation preference shall not be used (1) in acquisitions expected to be less than or equal to the simplified acquisition threshold; (2) if price is not a selection factor so that a price evaluation preference would not be considered, or (3) if all fair and reasonable offers are accepted (*e.g.*, the award of multiple award schedule contracts).

**Set-Asides for HUBZone Small Business Concerns.** FAR 19.1305(b) requires that Contracting Officers set aside acquisitions exceeding the simplified acquisition threshold for competition restricted to HUBZone small business concerns if there is a reasonable expectation that offers will be received from two or more HUBZone small business concerns and award will be made at a fair market price. Contracting Officers shall consider HUBZone set-asides before considering HUBZone sole source awards (see 19.1306) or small business set-asides (see Subpart 19.5).

**Service-disabled veteran-owned small business set-aside procedures.** FAR 19.1405 permits Contracting Officers to set-aside acquisitions exceeding the micro-purchase threshold for competition restricted to service-disabled veteran-owned small business concerns if there is a reasonable expectation that offers will be received from two or more service-disabled veteran-owned small business concerns and award will be made at a fair market price. If the contracting officer receives only one acceptable offer from a service-disabled veteran-owned small business concern in response to a set-aside, the contracting officer should make an award to that concern (see FAR 19.1405(c)). The contracting officer shall consider service-disabled veteran-owned small business set-asides before considering service-disabled veteran-owned small business sole source awards (see 19.1406(a)).

## **B. SMALL BUSINESS PROCUREMENT TOOLS**

**Mentor-Protégé Agreements.** A method of increasing the participation of small businesses in government contracting is the use of Mentor-Protégé agreements. DOE and SBA operate such programs. DOE Contracting Officers who seek to increase prime contract awards to small businesses can use the SBA Mentor-Protégé program. DOE prime contractors who seek to increase subcontract awards can use the DOE Mentor-Protégé program.

**DOE Mentor-Protégé Program.** DOE's Mentor-Protégé Program seeks to foster long-term business relationships between small business entities and prime contractors, and to increase the overall number of subcontract awards to small businesses. Mentors and protégés are encouraged to form teams to submit offers that will advance the protégé's competitiveness in the market.

The DOE Mentor-Protégé Program regulations are found in DEAR 919.70. This program is designed to encourage prime contractors to mentor small business concerns including (1) firms certified by SBA under Section 8(a) of the Small Business Act, (2) other small disadvantaged businesses, (3) women-owned small businesses, (4) Historically Underutilized Business Zone (HUBZone) businesses and (5) small business concerns owned and controlled by service disabled veterans. Historically Black Colleges and Universities (HBCU) and other minority institutions of higher learning may also serve as protégés.

**SBA Mentor-Protégé Program.** SBA's regulations (see 13 CFR 121.103(f)(3)(iii)) provide for a joint venture that may include a large business and an 8(a) firm that qualify as a Mentor-Protégé arrangement, respectively, under SBA's Mentor-Protégé Program (see 13 CFR 124.520). Such a joint venture will be recognized as small for the size standard corresponding to the NAICS code assigned to the procurement, and for purposes of 8(a) sole source procurements, as long as the participating Protégé 8(a) firm has not reached the dollar limit set as of the date that the requirement is accepted for the 8(a) program without taking into account whether the value of that award will cause the limit to be exceeded.



DOE, through the use of the 8(a) Mentor-Protégé Program is initiating a pilot project to establish 8(a) Mentor-Protégé arrangements in advance of specific contract opportunities. This effort will result in a pool of firms that can more quickly be approved by SBA as Joint Ventures eligible to bid on a specific project. Based on an agreement between the Department and SBA, when using the SBA's Mentor-Protégé program, the protégé firm must perform at least 25 percent of the cost for contract personnel with its own employees.

**Teaming Arrangements.** Another method of increasing the participation of small businesses in the award of DOE prime contracts is the use of teaming arrangements among small businesses. Such arrangements supplement the capabilities of small businesses to perform large, complex requirements. Teaming arrangements not only increase business opportunities for small businesses, but also expand the skill mix of the team.

A sample solicitation provision, *Guidance for Prospective Offerors - Impact of Teaming Arrangements on Small Business Status*, is attached to this AL. Inclusion of the provision is recommended for solicitations if teaming arrangements are contemplated, to advise prospective offerors on the impact of those arrangements on their small business status. It advises offerors of the Small Business Administration's affiliation rules and suggests they seek legal counsel if proposing a joint venture, subcontracting, or other form of teaming arrangement.

**Multiple Award Contracts.** Solicitations for multiple award contracts (MACs), as defined in FAR 2.101, should be structured in a manner that will allow small business firms an opportunity to compete for prime contracts, which then will allow them to compete for individual orders under the contracts. The following techniques should be applied when using MACs to fill program requirements: (1) Contracting Officers should work closely with program officials and their Small Business Program Manager to identify small business opportunities early in the acquisition planning process; (2) Business strategies such as teaming arrangements should be encouraged in an effort to maximize opportunities for small businesses. Teaming arrangements not only increase business opportunities for small businesses, but also expand the skill mix of the team in some cases; (3) MACs should be set-aside exclusively for competition among small businesses when there is a reasonable expectation that offers will be obtained from at least two responsible small business concerns; (4) If a total set-aside is not practicable, consideration should be given to identifying opportunities for a component of the statement of work to be set-aside for competition among small businesses; and (5) If a total or partial set-aside is not feasible, consideration should be given to reserving and specifying in the solicitation, a certain number of awards for small businesses.

**Governmentwide Acquisition Contracts.** A “Governmentwide Acquisition Contract” (GWAC), as defined in FAR 2.101, is a task-order or delivery-order contract for information technology established by one agency for Governmentwide use. GWACs also are referred to as “multi-agency” or “omnibus” contracts. GWACs often simplify the acquisition process for the authorizing agency as the contracting agency may maintain, and make available to the authorizing agency, their list of pre-screened contractors capable of performing certain types of requirements. The Department of Commerce’s GWAC is entitled “COMMERCE Information Technology Solutions” or “COMMITTS” and can be found online at: <http://www.commits.doc.gov/>.

## C. SMALL BUSINESS MARKET RESEARCH

**Sources Sought Synopsis.** In accordance with FAR 5.2, Synopses of Proposed Contract Actions: Sources Sought Synopsis is a notice published in FedBizOpps at <http://www.fedbizopps.gov/> to improve small business access to acquisition information and enhance competition by identifying contracting and subcontracting opportunities. Although the notice includes "screening criteria", the criteria are not used to "qualify" potential sources or to exclude potential competitors. The purposes of screening respondents are to allow the government to assess the potential competitive base, to determine whether a "Justification for other than full and open competition" is required, or whether various set-asides are appropriate.

**Central Contractor Registration Database.** The Federal Government maintains a web site to access the Central Contractor Registration (CCR) database at <http://www.ccr.gov/>. It allows firms to register their company profile and allows Contracting Officers to search the database with results stratified by numerous small business qualifiers (e.g., WOSB, SDB, 8(a), HUBZone small business concern). The qualifiers can be combined to narrow the search results to very specific categories of small businesses having very specific qualifications. FAR 4.1103(a) states that unless the acquisition is exempt under FAR 4.1102, the contracting officer shall verify that the prospective contractor is registered in the CCR database before awarding a contract or agreement.

**OSDBU Database.** DOE has developed a customized Small Business (SB) database for use by its program offices and prime contractors. Small business profiles in this database are downloaded from the CCR and reflect small business concerns that have indicated an interest in working with DOE. Contractors on the OSDBU database are cross-referenced by company, contact name, size status, North American Industry Classification System (NAICS) code, and key words. Contractors that want to be included in the OSDBU database need to be registered with the CCR and must submit their Dunn and Bradstreet number to OSDBU.

The OSDBU data base has been developed to be accessed through DOE's forecast of Prime and Subcontracting Opportunities. DOE and facility management contractors (FMCs) small business program managers are encouraged to use the forecast found at <https://hqlnc.doe.gov/registration>.

**Other Market Research Efforts.** FAR 10.002(b)(2) includes additional ways agencies can determine industry's capabilities such as: (1) Contacting knowledgeable individuals in Government and industry regarding market capabilities to meet requirements; (2) Reviewing results of recent market research for similar or identical requirements; (3) Publishing formal requests for information in appropriate technical or scientific journals or business publications; (4) Querying the Governmentwide database of contracts and other procurement instruments intended for use by multiple agencies available at [www.contractdirectory.gov](http://www.contractdirectory.gov) and other Government and commercial databases; (5) Participating in interactive, on-line communication among industry, acquisition personnel, and customers; (6) Obtaining source lists of similar items from other contracting activities or agencies, trade associations or other sources; (7) Reviewing catalogs and other generally available product literature published by manufacturers, distributors, and dealers or available on-line; and (8) Conducting interchange meetings or holding presolicitation conferences to involve potential offerors early in the acquisition process.

## **D. SMALL BUSINESS ACQUISITION PLANNING**

**Implementation of Fiscal Year (FY) 2005 Legislative Provisions.** Contracting Officers and Program Managers should review AL 2005-02 for information and guidance regarding the Department's implementation of the statutory provisions and legislative requirements at: [http://professionals.pr.doe.gov/ma5/MA-5Web.nsf/WebAttachments/AL2005-02/\\$File/AL2005-02.doc](http://professionals.pr.doe.gov/ma5/MA-5Web.nsf/WebAttachments/AL2005-02/$File/AL2005-02.doc)

This AL 2005-02 requires that DOE contracting officers, prior to the use of appropriated funds for the intended break-out of work under an M&O contract, shall contact the Director of the Office of Small Disadvantage Business Utilization (OSDBU) for a decision on the views of the SBA Representative. The OSDBU will obtain the views of the designated SBA representative with respect to "cost effectiveness, mission performance, security, safety, small business participation, and other legitimate acquisition objectives," and render an opinion on the views of the SBA representative to the contracting officer.

For NNSA, the AL requires that contracting officers, prior to the use of appropriated funds for the intended break-out of work under an M&O contract, shall contact the Service Center Small Business Program Manager (SCSBPM) to obtain the views of the SBA Representative with respect to "cost effectiveness, mission performance, security, safety, small business participation, and other legitimate acquisition objectives," and forward a recommendation on the views of the SBA representative, coordinated through OSDBU, for approval by the NNSA Head of the Contracting Activity (HCA), prior to rendering the approval decision to the contracting officer.

**Advanced Planning Acquisition Team.** DOE has established an "Advanced Planning Acquisition Team" (APAT), comprised of the Office of Procurement and Assistance Management, the OSDBU, and the Small Business Administration Procurement Center Representative (SBA-PCR) and the element requesting the acquisition. The Contracting Officer will refer to the OSDBU all proposed acquisitions over \$3 million (new requirements, exercise of options, or other extension requests of existing acquisitions) which have not been proposed for small business set aside. OSDBU will review the analysis and conclusions with respect to the proposed action to determine if it is justified to not set it aside and, when justified, identify strategies to maximize small business participation as subcontractors. These reviews will apply to all procurement requests, including M&O contracts, orders against GSA schedules, and orders against GWACS.

The Contracting Officer shall submit the final request for review to the OSDBU allowing 10 business days for the review process. The request for review will include the following: copies of the procurement request and the statement of work; the source list; and a statement of the reason(s) it cannot be set-aside. [Note the APAT requirement does not apply to NNSA.]

**Contracting for Support Services.** All support services contracts should be considered for award to small business concerns, unless findings from the SBA Procurement Center Representatives (PCR) and OSDBU support a HCA determination that (1) there are no responsible small business firms capable of performing the services, (2) mission critical reasons preclude the reservation of a requirement exclusively for small business concerns; or (3) a justification for other than full and open competition is approved in accordance with FAR 6.303. [Note: The support services requirements do not apply to NNSA.]

**Contract Bundling.** The consolidation of smaller contracts that have been performed, or could have been performed, by small business concerns into a single contract awarded to a large business may have detrimental effects on some small businesses. As a consequence, Congress enacted legislation to regulate the consolidation of contracts. If contract consolidation is otherwise meritorious, such consolidated procurement should present maximum practicable opportunities to small business in accordance with the policy stated in FAR 19.202(a). By definition, consolidated contracts awarded to small businesses are not bundled contracts. Likewise, M&O contracts are not bundled contracts. If a consolidated procurement is not set aside for small business, the Contracting Officer should rethink the acquisition strategy.

Program offices proposing to bundle a contract must quantify identified benefits and explain how their impact would be measurably substantial. Reduction of administrative or personnel costs alone is not sufficient justification for bundling unless the cost savings are expected to be at least 10 percent of the estimated contract value (including options) of the bundled requirements if the value is \$75 million or less; or 5 percent of the estimated contract value (including options), if the value exceeds \$75 million.

If the proposed acquisition strategy involves substantial bundling (i.e., any bundling that results in a contract with an average annual value of \$5 million or more), the Contracting Officer must include the following in acquisition strategy documentation: (1) the specific measurably substantial benefits or the criticality of bundling to the Department's mission; and (2) plans to preserve and promote small business participation as prime contractors and efforts to include small businesses as subcontractors (see FAR 7.107(e)). Contracting Activities are required to coordinate with the SBA Procurement Center Representative (SBA-PCR) on acquisition strategies or plans contemplating bundled awards at or above \$5 million

The OSDDBU has been designated as the Department's focal point for the review of bundled acquisitions, excluding NNSA. DOE program offices intending to proceed with a bundled procurement must submit the acquisition to the OSDDBU for review to ensure conformance with the statutory requirements regarding bundling, and to identify ways to maximize the participation of small businesses in the procurement. Should the OSDDBU determine that the proposed bundling of a contract is not necessary and there is no agreement between the program office and the OSDDBU about the need to bundle, the matter will be referred to the Deputy Secretary through the HCA and Senior Procurement Executive. The Deputy Secretary, without power of delegation, may determine that bundling is necessary and justified if: (1) the expected benefits do not meet the thresholds identified in this section, but are critical to mission success; and (2) the acquisition strategy provides for maximum practicable participation by small business concerns. [Note: This OSDDBU bundling review procedure does not apply to NNSA.]

**Evaluation Factor for Past Performance in Subcontracting.** Plans to preserve and promote small business participation in a bundled contract might include teaming by small business for the prime contract and may include the following: a factor to evaluate past performance under previous subcontracting plans; and inclusion of the clause at 52.219-10, Incentive Subcontracting Program in the resulting contract.

**Pre-bid and Pre-proposal Conferences.** Contracting Officers are encouraged to hold pre-bid and pre-proposal conferences (see FAR 15.201) for major procurements if the procurement will be set-aside for small businesses.

**Small Business Program Managers.** Small Business Program Managers, designated by the HCA, should perform the following functions: (1) Participate in the planning of, and make recommendations as to set aside, for acquisitions over \$100,000. The review process should address small business categories areas which are goal-oriented (HUBZone small business, small disadvantaged business, small business, service-disabled veteran-owned small business, and women-owned small business concerns); (2) Conduct the review before the issuance of the solicitation and document the results; (3) Maintain copies of the results for requirements exceeding \$1 million [\$100,000 applies to NNSA] ; (4) Maintain liaison with the small business community; and (5) Review all subcontracting plans prior to acceptance by the Contracting Officer.

## **Part II. Subcontract Awards to Small Business**

HCA's must ensure that purchasing systems of contractors for the management and operation of major sites and facilities include small business outreach programs.

### **A. SUBCONTRACTING PLANS**

Contracting Officers shall ensure: (1) that all M&O contractors, except small businesses, with contracts over \$500,000 (\$1 million if construction) have a small business subcontracting plan in place that has aggressive small business goals and (2) that subcontract reports, Standard Form (SF) 294, Subcontracting Report for Individual Contracts, and (SF) 295, Summary Subcontract Report, are submitted in a timely and accurate fashion reporting the actual small business achievements. [Note: Once the Electronic Subcontracting Reporting System (eSRS) is operational, reporting will be done in eSRS and the current SF 294 and SF 295 will be eliminated. The SF294 will be replaced with the Individual Subcontracting Report. The SF295 will be replaced with the Summary Subcontracting Report.]

Every subcontracting plan should, at a minimum, support achievement of the agency-wide goals negotiated with the SBA by the OSDDBU. Subcontracting plans reflecting less than the agency-wide goals must be submitted through the OSDDBU to the HCA for approval/disapproval. OSDDBU will monitor compliance with subcontracting plans. [NOTE THESE REQUIREMENTS DO NOT APPLY TO NNSA.]

Contracting Officers, in consultation with Small Business Program Managers, shall meet periodically with directors of contractor purchasing to review the status of the contractor's performance against its small business subcontracting plan.

Responsibilities for report reviews will change with the eSRS. DOE anticipates that eSRS training will be available in August 2005. Concurrent with this training, OSDDBU plans to issue a Standard Operating Procedure addressing oversight responsibilities under the eSRS. Contracting Officers will be responsible for reviewing the Individual Subcontracting Reports against the subcontracting plans that pertain to their contracts. OSDDBU will have overall responsibility for the Summary Subcontracting Reports. OSDDBU shall ensure that the Small Business Program Managers review the Summary Subcontracting Reports for completeness and accuracy. The OSDDBU will also conduct periodic reviews of the contractor's performance against its small business subcontracting plans and will coordinate such reviews with the cognizant Contracting Officers and Small Business Program Managers.

## **B. SUBCONTRACTING PROCEDURES:**

**8(a) Pilot Program.** Contractors responsible for the management or operation of sites and facilities are authorized to award subcontracts with a value of \$5 million or less for manufacturing NAICS codes and \$3 million or less for all other acquisitions on a noncompetitive basis to firms certified as participants by the SBA under its 8(a) program. Contractors may also reserve for competition among 8(a) firms requirements in excess of those thresholds. The contractor shall assure that awards are made at fair market prices and are identified as awards to 8(a) firms and Small Disadvantaged Businesses (SDBs) under the reporting provisions of the Small Business Subcontracting Plan clause. A special effort may be made to identify and make awards to 8(a) firms in HUBZones. If such a program is instituted, the contractor shall assure that awards are made at fair market prices.

**HUBZone Set-Aside.** *Awards to HUBZone 8(a) Firms.* For procurements under \$3 million (\$5 million for manufacturing NAICS codes) if an 8(a) certified firm can be identified and award can be made at a fair market price, an award may be made noncompetitively to a HUBZone 8(a). If the procurement is valued in excess of \$3 million (\$5 million for manufacturing) and two more HUBZone 8(a) firms can be identified, the procurement may be set aside for competition among HUBZone 8(a) firms.

Contractors responsible for the management and operation of DOE sites and facilities are authorized to use HUBZone set-aside and HUBZone sole source procurement techniques in the award of subcontracts under conditions similar to those applicable to the award of Federal prime contracts.

**Service Disabled Veteran-Owned Small Business (SDVOSB) Set-Aside.** Contractors responsible for the management or operation of sites and facilities may restrict competition to SDVOSB concerns if there is a reasonable expectation that two or more SDVOSB concerns will submit offers and that the award can be made at a fair market price.

**Discretionary Set-Asides.** Contractors responsible for the management and operation of sites and facilities are authorized to set aside purchases at any dollar value for award to small businesses and to make purchases valued up to \$100,000 on a sole source basis to small businesses. If such programs are instituted, the contractor shall assure that awards are made at fair market prices.

**DOE Mentor-Protégé Program.** Contracting Officers should encourage prime contractors to enter into Mentor-Protégé agreements with small businesses. DOE regulations that provide for a Mentor-Protégé Program can be found at DEAR 919.70. DOE's Mentor-Protégé Program seeks to foster long-term business relationships between small business entities and prime contractors, and to increase the overall number of small business entities that receive contract and subcontract awards. Mentors recognized under the DOE Mentor-Protégé Program are authorized, subject to the best commercial practices and procedures required by DEAR 970.4402-2(d), to award noncompetitive subcontracts, of any dollar value, to their Protégés. Further, other site and facilities management contractors may award noncompetitive subcontracts to a Protégé of another DOE Mentor contractor if those awards are made at fair market prices. OSDDBU maintains a current listing of active Mentor-Protégé agreements.

## **Part III. Other Considerations**

### **A. SECURITY CLEARANCES**

Much of the DOE's work is classified and performance of that work requires cleared facilities and staff. For many small businesses, obtaining appropriate clearances may require background checks that often take three months to complete; whereas, large businesses are more likely to have personnel and facilities that already have the necessary security clearances. Contracting Officers should consider the following when processing procurements that involve classified work:

Security personnel should be consulted when preparing draft statements of work that may involve security requirements to assure that the security requirements are not overstated.

Solicitations should be issued and the award made sufficiently in advance to allow for the processing of required security clearances. The absence of existing personnel security clearances should not be the sole basis for denying an award, unless the solicitation made security clearances a requirement. Offerors should be allowed a reasonable time for the workforce of the successful offeror to be cleared.

Further information is contained in a pamphlet, *DOE's Security Requirements for Small Business Contractors*. It can be found at the bottom of the following web site:  
<http://www1.pr.doe.gov/small.html>.

### **B. SMALL BUSINESS STATISTICS**

**Collecting and Reporting Small Business Contracting Information.** The systems for collecting and reporting small business award information are the Federal Procurement Data System—Next Generation (FPDS-NG - *Prime contract award data*), and the Subcontract Reporting System (SRS - *prime contractor subcontracting award data*).

The accuracy of the statistics reported in these systems is vital to the credibility of the DOE's performance in this area, which is continually monitored by Congress, the SBA, trade organizations, small business advocacy groups, and other entities.

**Improving the Accuracy of Small Business Information.** HCAs should assure that proper quality control systems are in place to ensure the accurate reporting of small business data.

HCAs should include the accuracy of Federal contract data as a compliance standard for the contracting activities' Federal assessment program.

The Contracting Officer is responsible for taking all reasonable steps to validate an offeror's Small Business representation prior to any Federal prime contract award. [Note: NNSA Contracting Officers shall adhere to the FAR standard of self-certification.]

The Contracting Officer should refer to the SBA and the Office of the Inspector General any certification of small business status that is inaccurate and refer instances of misrepresentation of small business status to the DOE/NNSA Procurement Executive for consideration of suspension/debarment.

The Contracting Officer is responsible for ensuring that M&O contractors (1) establish reasonable controls to ensure small business subcontracting data reports are accurate, including data submissions to electronic data collection systems; (2) maintain current and accurate listings of small business suppliers to the extent such listings are used; (3) obtain certification of size status; (4) conform to the list of exclusions from subcontract reporting in the SBA document, *Goaling Guidelines for the Small Business Preference Programs for Prime and Subcontract Federal Procurement Goals & Achievements*; and (5) refer to the Contracting Officer instances of small business status misrepresentation.

Additional guidance on establishing subcontracting goals can be found in Acquisition Letter 2005-06, Small Business Procurement Goals, dated March 11, 2005.

### **C. SECRETARY'S SMALL BUSINESS AWARDS**

DOE recognizes the outstanding small business achievements of its departmental elements, prime contractors and other organizations. Colleagues and headquarters personnel nominate outstanding individuals to receive the "Secretary's Small Business Awards." The awards program was established in 1978. The following awards are presented annually:

**Element Awards.** (1) Award for the element that breaks out the greatest percent of small business awards from an existing facility management contract.

(2) Award for the element with the greatest percentage increase in awards to small business from the prior year.

(3) Award for the element with the highest percentage of diversity in its small business awards.

**M&O Awards.** (1) Award for the M&O with the most significant small business teaming arrangements.

(2) Award for the M&O with the greatest percentage increase in awards to small business from the past year.

(3) Award for the M&O with the highest percentage of diversity in its small business awards.

**Small Business Program Manager Awards.** (1) Award for the SB program manager who has made the most progress in promoting small business contracting at the HQ level.

(2) Award for the SB program manager who has made the most progress in promoting small business contracting at the field level.

(3) Award for the SB program manager who has made the most progress in promoting small business contracting at the M&O level.

**Mentor-Protégé Award.** Award for the most outstanding Mentor, Protégé or Mentor-Protégé team.



**L. ## GUIDANCE FOR PROSPECTIVE OFFERORS - IMPACT OF TEAMING ARRANGEMENTS ON SMALL BUSINESS STATUS**

(a) This procurement has been set aside for small business. In order to ensure that award is made to an eligible small business, prospective Offerors, in consultation with legal counsel, are encouraged to review the Small Business Administration's (SBA's) size eligibility standards found at Title 13 of the Code of Federal Regulations, Section 121 (13 C.F.R. § 121). In particular, Offerors proposing a joint venture, subcontracting, or another form of teaming arrangement should review 13 C.F.R. § 121.103, "How does SBA determine affiliation?," prior to submitting a proposal.

(b) The SBA is the sole authority for making determinations of small business status for small business programs. Such determinations are binding on the Offeror and the Contracting Officer. Accordingly, a finding by the SBA of affiliation between an Offeror and its proposed team member(s) or subcontractor(s) may result in the Offeror being found to be other than a small business and therefore ineligible for contract award.

(c) Business concerns are considered to be affiliates of each other if either one directly or indirectly controls or has the power to control the other, or if another concern controls both. In determining whether affiliation exists, factors such as common ownership (stock ownership or options, convertible securities and agreements to merge), common management, and contractual relationships are considered. An Offeror will also be found to be affiliated with its subcontractor(s) if the Offeror is unusually reliant upon its subcontractors or if the subcontractor(s) will perform primary and vital requirements of a contract.

(d) The SBA has issued several decisions concerning its evaluation of affiliation of an Offeror and its proposed subcontractor(s). The following examples set forth characteristics that the SBA has reviewed in considering the question of affiliation and may assist prospective Offerors in developing any teaming arrangements and their proposals.

(1) The SBA considers whether proposed subcontracting, partnership, joint venture, or other teaming arrangements contain discrete descriptions of the tasks or work to be performed by each party. The SBA considers whether the Offeror or, if the Offeror is a joint venture or partnership, the joint venture participants or partners, perform the primary or vital portions of the Statement of Work. The SBA considers whether teaming arrangements clearly set forth the relationship between the parties, as well as the individual roles and responsibilities assigned.

(2) The SBA considers whether there is a clear separation of facilities, employees, and management (decision-making authority) between the Offeror and any entities with which it has teaming arrangements.

(3) The SBA considers the extent to which the Offeror directly employs Key Personnel (Program Manager, Project Manager, etc.).

(4) If the Offeror is an eligible small business prime contractor, the SBA considers whether the majority of the technical expertise resides with the Offeror. If the Offeror is an eligible joint venture the SBA considers whether the majority of the technical expertise resides among the joint venture members.

(5) The SBA considers the Offeror's profit sharing arrangements with its proposed subcontractor or other entities.

(6) In reviewing affiliation between the Offeror and its proposed subcontractors or entities with which the Offeror has a teaming arrangement, SBA considers the previous contractual or business relationships between the Offeror and that entity.